THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

VOL. XVII | Annual Subscription, $5.00 | PUBLICATION OFFICE: TORONTO, JUNE 8, 1923 | Single Copies, 10 Cents. | No. 23

PROSPECTS FOR SPLENDID CROPS AID TO BUSINESS

A Better Feeling General Now in Trade Circles

PRICES ARE CHECKED

Effect Should be to Lengthen the Period of Industrial Activity if Wage Demands Reasonable

"Business of all kinds has revived and there is a markedly different feeling all along the line," says a report to THE FINANCIAL POST on conditions in Calgary. This is a reflection of the crop prospects in Alberta, where, according to reliable advices, hail is about the only thing which can now prevent a harvest to equal the bumper yield of 1915. Crop conditions in the other prairie provinces are also highly satisfactory and in the East, despite a late start, warm weather and timely rains have resulted in rapid development and splendid prospects for field and other crops. Added to this are crop reports from the United States and other wheat producing countries indicating that estimated yields are being reduced and that prices should continue on a basis to provide a fair margin of profit.

There is a much improved tone to the business conditions in Western Canada which will undoubtedly be reflected in trade and industrial circles in the East. Of course, it is yet too early to definitely forecast the profit returns in dollars to the farmers, and there has been less tendency in recent years to spend in anticipation of the harvest, but the effect is widespread in that merchants can place orders with reasonable confidence and other business plans can be laid in prospect for better demand to come. In the meantime, too, there is a tendency on the part of those who have surplus funds to spend more freely as the harvest outlook improves. Retail trade in the East has been showing marked improvement in many districts but is inclined to be spotty.

With such favorable crop prospects and with conditions in industry improving, the general business outlook can be regarded with greater confidence. The great factor for uncertainty has to do with commodity prices, in which labor costs are the dominant factor, in relation to buying power, and particularly the buying power of the farmer. In this connection, however, improvement is also shown in a strengthening of the prices for the commodities which Canada exports, while there has, at the same time, been a decline in the prices of certain imports. This situation is summed up in the June letter of the Canadian Bank of Commerce:

> Index number of wholesale prices in Canada shows a temporary recovery from the downward trend which began a month ago. Among the imports which have risen in price are corn, sugar and iron, common bar iron having regained the level of two years ago. The chief exportable commodities that have risen in price are cattle, beef, hogs, barley, oats, potatoes, copper, silver, pine and spruce, but the rise in the case of the two last-named is a reflection of an improvement in the market of some months' standing. The fall that has taken place in the case of exports is almost entirely seasonal, the chief commodities affected being wheat, flour, butter, bacon, cheese and apples. The fall in import prices is much more significant, including as it does such items as cotton, wool, rubber, linseed oil, tin, coke and coal oil, articles which are basic materials of industry in the United States, where most of our foreign purchases are made.

The decline in commodity prices and the let down in forward buying, which has been noted in the United States and which was reflected in the recent slump in the stock market, is now being more generally regarded as being in the nature of a healthy reaction and readjustment rather than the beginning of a collapse. The contention appears to be soundly advanced that business is profiting by the lessons of the last collapse and that speculation has been checked before it could be carried dangerously far. The check in buying and the moderation of prices should have the effect of extending the period of prosperity. Particularly is this the case if the slackening in demand illustrates to labor that a continuation of rising wages where they can be forced up by the strong unions will not only react on the workers generally by advancing the cost of living, but will prove to be nothing short of a boomerang in the high-wage trades themselves by stifling buying demand and bringing about conditions of unemployment such as was experienced during the previous period of deflation. On the whole 1923 should be a good year industrially and a steadily improving year in retail trade.

Good Crops Expected to Double Fair Crowd

From Our Own Correspondent.

CALGARY.—As a result of improved crop conditions throughout the province following recent rains, the Fair Association, which holds its exhibition in Calgary in July, is now expecting double the attendance which was anticipated a short time ago.

It is Now Up to Our Financiers

By J. B. MACLEAN.

The directors and the officers of our chartered banks, of our loan companies and of our trust companies are our financial experts—the men to whom we have entrusted our savings and to whom we look for sane financial guidance and administration.

In no country have its financial leaders, as such, performed that trust with greater honesty and conscientiousness. The cases where personal profits or selfish interests have taken precedence over public duty have been rare.

Changing conditions and agitations in the last few years have put various financial interests on the defense. This has had a tendency to narrow the vision of our financiers to their own particular interests, and they have not seen the changing conditions nor the need of meeting them. The greatest of these changes have come about in the financing of the farmer. Formerly he was taken care of by the hundreds of private bankers and retail merchants in the small centres. These men were of the farmers themselves, they were human beings who understood the farmer's needs. Their relations were friendly and intimate. They were his adviser in money as well as other important matters. These private money-lenders made handsome profits on these small accommodations to the farmers. Twelve to 15 per cent. was the minimum, but the farmers never objected because these private bankers aided them in many ways and helped them through many trying times to profits and prosperity. But this system of banking has practically disappeared throughout Canada. The chartered banks have absorbed them or driven them out, but they have not given the old service. They give the farmer money at a half or a quarter the former rates of interest but beyond that the farmer is dealing with a sort of human slot machine. The branch bank managers are probably superior in every way to the old local banker. They are better educated, better trained, better informed, and with their connections in the big centres are in a position to give the farmer better information and advice than he could ever have had from the local banker, but the system prevents these men giving the old-time human service.

The farmer is both a manufacturer and a merchant and he needs business loans — long-term, temporary loans. Our chartered banking system cannot carry this business in a broad way and the loan and trust companies do not want it. A merchant sells the goods on which he borrows money at thirty to ninety days. The farmer may not be able to sell and repay his bank for a year or more.

With few exceptions, our three groups of financiers have done nothing to meet this situation. They have not understood it. They have been indifferent and sometimes have met the farmers' pleadings with offensive response.

The proceedings before the Bankers' Committee have not improved matters in spite of the efforts of the chairman, A. K. MacLean, one of the most tactful men in the House, aided by the very broad knowledge of the Minister of Finance. The financiers and the farmers across Canada are drifting into real antagonism. The blame does not rest with the farmers. The farmers are not radicals. They are capitalists themselves, very closely allied to and in deep sympathy with good business and sound finance, and with little real sympathy for political interference in business. Their advocates talk lower interest rates, but a few cents never bothered them when they had the old-time service. They want some sound way of temporary borrowing. They are not financiers and they feel that the experts of the Canadian Bankers' Association, of the Trust and the Loan companies should devise some system for helping them. The rural merchants and other business men are supporting them.

It is up to the financial leaders of the country to get together and work out some sane scheme. If the financiers do not do so, the farmers will turn to plausible but unsound policies. This has already happened in some provinces and is developing in a big way in the United States. There have been some great disasters. It is not good for farmers or business and further demagogism can be forestalled. It is the financiers' turn to move.

Industrial Alcohol Stocks is Spreading

From Our Own Correspondent.

MONTREAL.—Recent activity in the shares of Canadian Industrial Alcohol marks the first showings of public interest in this security, until a few months ago closely held by a small number of individuals. The stock was put on the unlisted section of the stock market last year, but only recently has there been much trading. This week the stock rose three or four points to more than 15. The par value is $25 a share.

No financial reports have as yet been published, but it is said that earnings at the present time are at the rate of about three times the dividend requirements, $1 per share or 4 per cent.

HEBRIDEANS NOT PROPERLY CARED FOR IN THE WEST

Methods Employed by the C.P.R. Much More Successful

From Our Own Correspondent.

CALGARY. — The most serious phase of the settlement problem in Alberta right now is the colony of Hebrideans in the Red Deer district. They are very much distressed, claiming gross mis-representation as to what they have found. There seems to have been no real arrangement to take care of them when they arrived and they had so little cash that they soon consumed this and are now without means.

Such sporadic attempts at settlement hinder rather than facilitate permanent colonization efforts, through the bad advertising which Canada receives. There are millions of acres of good land in the West yet to settle and these offer success to well-selected settlers. Many of these lands are adapted to dairying and mixed farming and with a reasonable cash outlay may be made to produce a good return.

Those who have carefully analyzed the methods of the C. P. R. in its colonization work are convinced that such methods are carefully planned for the best permanent good of the country. When the C. P. R. brings in settlers they are not left to shift for themselves, but are given every assistance in getting started. The C. P. R. is in a position to do this effectively and appreciates that a satisfied settler means a valuable asset to the country in securing other settlers, while a disgruntled one is the worst kind of advertising. An example of the good judgment used by the C. P. R. is that large areas of fine lands are not being opened up for grain growing purposes but are being kept for stock raising. This is because experience has shown that only when used for such purposes can there be assured success.

Receipts on Letters and Cards to be Taxed

The amendment respecting stamp tax is on receipts outlined in the budget resolution of Mr. Fielding and to be effective from the date when the bill founded on the resolution is assented to, will have the effect of cancelling from such date the regulations formerly passed as respecting receipts by or on post cards, form letters and letters and such forms and receipts will then be subject to tax. This was not the case formerly.

Crop Prospects Stop Trekking From Alberta

From Our Own Correspondent.

CALGARY.—The marked improvement in the agricultural situation as the result of timely rains should effectively stop the trek from Alberta. In fact, it is now being realized that there has not been half as many people leave the province as many of the newspaper reports would indicate. Then, again, those who have gone were to a great extent of the floating class. There are, of course, exceptions, but it is a fact that many of those who moved out were of the class who will drift along whenever they catch a glint of green in distant pastures.

INDUSTRIES ACTIVE ON PACIFIC COAST

Prosperous Conditions Expected to Continue in British Columbia

From Our Own Correspondent.

VICTORIA.—Business and manufacturing continue active in British Columbia and all kinds of construction projects are being pushed forward in anticipation of a period of unusually heavy industrial production.

The lumber industry has been responsible for a number of important railroad extensions recently, principally on Vancouver Island. The Victoria Lumber & Manufacturing Company, of Chamainus, is constructing thirteen miles of logging railroad to Robertson Creek, and similar distances are being covered by tracks being laid for the Esray Timber Company at Horne Lake and the Cowichan Lake Railroad. The Esray Timber Company, which has just purchased a big body of timber from the Canadian Pacific Railway, intends to spend about $750,000 in development work. Logging concerns on the west coast of the island are also constructing railroads into the interior.

Charles Murphy, western manager of the C. P. R., has approved plans for car shops to be built at Vancouver at a cost of approximately $100,000.

Construction of new buildings for the University of British Columbia will cost in the neighborhood of $715,000. This work is now being proceeded with.

These are a few of the major construction projects under way. There are many others scarcely less important, especially in the mining and pulp and paper field.

Only Hail Can Prevent the Alberta Crop From Equalling the Bumper Yields of 1915

Remarkable Change in the Crop Prospects Has Been Wrought by Recent Rains—Conditions Highly Satisfactory in Other Western Provinces

"Nothing but hail to prevent Alberta duplicating 1915 in her yields," according to reliable advices received by THE FINANCIAL POST. There has been a marked change in the situation in Alberta because of recent general rains and farmers and business men are now imbued with an optimism that has been lacking since the bumper crop of eight years ago. Conditions in the other prairie provinces are highly satisfactory as regards the crop outlook. In the East timely rains have arrived and rapid growth is now recorded after a late start; prospects for field crops, fruits, etc., are splendid.

It is particularly gratifying to be able to report such satisfactory conditions in Western Canada, particularly in Alberta. In recent years THE FINANCIAL POST has, several times, at this season, been called upon to inform the business community that because of lack of rain at the critical period the optimistic crop talk of the press despatches would have to be discounted. This setting forth of disagreeable facts has been resented by the Western optimists who talk bumper crops after the chances of such have died and when a false impression of the situation on the financial and business community has done serious harm in preventing consideration from those to whom mortgages or trade accounts are due.

Prior to the recent rains, the situation in Alberta was not bright. Merchants were afraid to go ahead and make purchases and builders were reluctant to proceed with their programs. Now there is a marked change as indicated by the following report from F. W. Crandall, a farming specialist, who operates large farm properties in Alberta and has for many years been a close student of practical agricultural conditions in Western Canada.

CALGARY.—Conditions have decidedly changed during the past two weeks. We have had one rain after another, covering a large part of Alberta—especially the Southern part where the needs were the greatest—until to-day. We all are enthusiastic as to the probable crop results. There is nothing but hail to prevent Alberta from duplicating 1915 in her yields. This does not mean any limited areas, but the province as a whole. There are some small districts where they have not had rain sufficient so far, but in the main, even with only an occasional shower from now on, we have reason for expecting a good crop to follow.

In speaking of the Calgary district, the conditions could scarcely be more favorable. There is a fair acreage, put in in good shape. As this rain has come at the last of May, the crops are up so high that the sun and winds will have little effect, as the crop will shade the land, and prevent the wind from picking up the moisture as would have been the case earlier in the season.

In discussing the situation with the business tradesmen of Calgary, they one and all seem to feel that the backbone of the long drought has been broken, and that a new era of prosperity is dawning on us at this time. They are sensible enough to realize that there would not be a large trade resulting from the changed conditions until there was a crop pulled off in the fall, but this is all they could really expect. It will, however, make all who have to purchase for the farms, feel that the purchasers are backed by expectations that it will be returned to them again with profit when the harvest comes.

Not only does this benefit the farming operations, but it renews the pastures which were badly in need of moisture, as the feed during the past dry years has been so closely fed off that there was little left, and the roots of the grasses were also badly burned and stunted. We need grass, and lots of it, and there is every reason to expect the moisture already fallen to make such growth possible. The prairie hay was getting to be almost eliminated, and this will reinstate it and save this situation also.

Summing up the situation as it now appears, we are in a position to expect a good crop even if we get but a few showers from now till ripening time. This is to be expected.

Conditions Good All Over West

By E. CORA HIND,
Commercial Editor, Manitoba Free Press.

WINNIPEG. — Crop conditions taken broadly all over the West are very favorable. A week of very warm weather with copious rains in many sections has been succeeded by bright sunshine and light cool winds.

The heat and moisture, following the cold spring, caused the crop that had already rooted, to spring up with amazing rapidity and for a day or two farmers were apprehensive that the straw would be too soft and sappy to stand well, but the cool weather following is just what is needed to stiffen the straw.

There is now practically all the moisture that is needed with the exception of a few districts in North Alberta and even there the shortage is not too serious.

Winter rye is making a most remarkable growth and many fields are already fully headed. In most sections it has wintered well though a small area has been killed by water on the land in the spring.

There have been some serious storms during the week, floods in Alberta and a cloudburst which did damage in a small area in Southern Manitoba. But while these things mean loss to individuals and to some extent to districts they do not detract from the fact that speaking generally the conditions of the growing crops over the three prairie provinces are good.

Saskatchewan Outlook Favorable

From Our Own Correspondent.

REGINA.—With the exception of a few scattered districts, the prospects for agriculture in Saskatchewan may be considered very favorable for the time of year. Good weather prevailing until the last week in May permitted completion of wheat seeding and most of the work in connection with planting of coarse grains. Since May 26, general rains over the greater portion of the province, with heavy showers over wide areas in the central, southwest and southeastern districts, have provided all the moisture necessary for seed germination.

THE FINANCIAL POST correspondent travelled by automobile during the last week of May some 120 miles along the main line of the Canadian Pacific east from Regina. The character of the country in this area is somewhat different from the west and central districts. The character of the ground is rolling, with plentiful woodland. At some points, about May 25, the ground showed signs of lack of moisture, and in places seed planted for some days showed failure to germinate. Good rains May 27 and 28, however, remedied this condition.

Many of the farmers with whom THE POST correspondent talked stated that although there has been a more luxuriant growth at this season in former years, the present year's prospects are considered of the very best.

Government and private reports received within the past week seem to indicate that there will be little if any change in the acreage sown to wheat this year as compared with last. It was thought a considerable shrinkage would be shown.

Wheat is up in the Regina district from two to six inches and in the eastern central section, along the C. P. R. main line, there are fields in the vicinity of Indian Head, Sintaluta and Grenfell, where eight to ten inches of growth have been registered.

The most, in fact, the only discouraging report comes from southwestern Saskatchewan, where the grasshopper plague is present in greater numbers than for many years.

Propaganda in Our Universities

Since our issue of last week, there have been many denials as to anti-capitalist influences in Toronto University. THE POST has many times published facts which have aroused anger or brought denials, but the record of THE POST shows that its sources of information on political matters, international as well as national, are always authoritative. The same is true in this case. It is not alone the University of Toronto which is affected by propaganda of the kind referred to. Practically every Canadian university, and several of the more important schools, have been used as recruiting grounds by agitators, and three Canadian undergraduate societies have been formed as a result of this propaganda. An old-established American society, with leaders of the highest public standing (it has included among its presidents one of the greatest bishops the American Episcopal church ever produced)—one of the leading national loyalist institutions in the country—has been trying to combat propaganda that is stirring up Americans against British; labor against capital; and so forth, and this society found it necessary to issue a specific warning against one of the charming visitors to the University of Toronto referred to last week.

CANADA HOLDS KEY TO POWER DEVELOPMENT

Ten Times Resources of United States in East

A BIG ADVANTAGE

Figures Which Indicate the Interest in Water Power Development in Canada for Industrial Purposes

From Our Own Correspondent.

OTTAWA.—Canada may justly be said to occupy a strongly strategical position in water power resources and development and the preponderance of the undeveloped reserve in the eastern area is bound to operate in her favor in international trade competition.

What those resources are is already fairly well known in a general way, but it is of interest to compare them with those of our immediate neighbor and to consider to what extent Canada is likely to benefit.

As things stand at present the United States as a whole has the greatest amount of available power and the greatest amount of developed power, but then she has about 12 times the population, and expressing this development in terms of horsepower installed per 1000 inhabitants, we find that it is only about 100 in the U. S. and 388 in Canada.

The immediate use of water power, however, depends largely upon its accessibility to the more densely populated and industrial regions and analysis of the official figures discloses some interesting points in this connection.

Canada's Advantage

It may first be pointed out that according to the final report of the Superpower Survey of the North Atlantic industrial area recently carried out by the U. S. government, the area considered therein, some 450 miles long by 100 to 150 miles wide and being that between Boston and Washington, contains in less than 5 per

(Continued on Page 16)

New Jersey Man is "Angel" to Port Arthur

Staff Correspondence.

PORT ARTHUR. — There's real romance attached to the recent purchase of tax sale land in Port Arthur. Out of the blue comes a Mr. Walser, of New Jersey, desirous of buying these tax sale lands—involving a purchase price of over $300,000. The city signs an agreement with him. Moreover, Mr. Walser agrees to erect buildings on his land to the value of $100,000 in 1923. The $25,000 first instalment of the purchase price is to be paid by July 15th of this year.

Mr. Walser believes in the future of Port Arthur, due to its strategic location in respect to western grain shipments, its future in pulp and paper development, its hydro-electric power, the mining and agricultural possibilities of the country around it.

In the meantime tax arrears are being paid in Port Arthur and real estate values are toning up.

VERNON ISSUE SOLD

The City of Vernon has sold $30,000 15-year, 5½ per cent. waterworks debentures, payable in Canada and London, to Gillespie, Hart & Todd, Vancouver, at 96.33. Other bids were: A. E. Ames & Co., 96; Royal Financial Corporation, 95.95; Pemberton & Son, 95.62.

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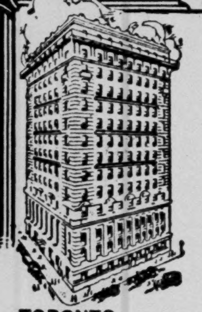

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THRIFT ENCOURAGED

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Much has been said both for and against the development of welfare policies for the benefit of employees. Many plans have been evolved with varying results; where they were successful they were retained; where they experienced serious difficulties they were often dropped, their sponsors concluding that such efforts were worthless.

For the most part, movements of this kind have been developed among industrial institutions. Through the efforts of certain insurance companies, group life insurance has been taken up by many companies and some trade unions. Occasionally companies make provision for their own employees buying stock on advantageous terms. Two well-known Canadian companies have recently announced the adoption of systematic plans enabling their employees to do this. The practice of establishing superannuation funds among school teachers, ministers and similar groups has long been common but the development of welfare plans to which the employee does not contribute has not been great among companies employing only brain, clerical or sales help. For that reason the comprehensive policies being carried out by S. W. Straus & Co. have a particular interest.

The company does a large business in real estate bonds in the United States and has recently opened an office in Canada. The fundamental assumption underlying the policies is that they must encourage two things—the fullest possible development of the individual with its resulting rewards and a disposition on the part of the employee to remain permanently with the company.

The salient points in the plan were outlined by S. W. Straus, the president, at the company's annual convention last December. He said:

Each individual is paid a salary on the basis of his or her individual worth, and, in estimating these salaries as I have said before, no thought is given of the added emoluments that are bestowed in connection with the company's profit sharing plan.

Our first activities of this nature were the formation of the Profit Sharing Thrift Society through which all members of the organization who have been with us one year have the privilege of depositing five per cent. of their salaries up to a maximum of $250 per year. Each six months the company contributes a sum at least equal to the amount saved by the employee, the whole being invested at interest. This one hundred per cent. contribution of the company is a minimum, and a larger division of profits has been made at times.

You understand, of course, that whenever the company has made contributions out of its profits to the Profit Sharing and Thrift Society, these sums have left the hands of the company permanently. When an employee leaves this organization before the expiration of a ten years' membership in the Profit Sharing and Thrift Society the amount that has been deposited for him by the company still remains in the treasury of the society, and, therefore, those who remain with the company receive these additional benefits and rewards.

When the plan was first adopted, it was intimated that each employee should deposit 2 per cent. of his salary in this manner. The plan experienced only an indifferent success, due to the attempt to force it, and resulted in its being made entirely voluntary. Since then the work of the society has been eminently successful.

Continuing, Mr. Straus said:

For a number of years we have had the anniversary gift to all employees drawing salaries not exceeding $3,000 a year who have been with the company two years. This gift begins with a bonus of 2 per cent. of salary and is increased 1 per cent. a year up to 10 per cent. for ten years.

The company has also carried life insurance for all regular employees, for an amount, in the event of death, equal to the yearly salary, the maximum being $5,000. This insurance also assures the payment of 75 per cent. of salary up to a maximum of $5,000 during any disability resulting in necessary absence from employment for more than one week and continuing for a period of fifty-two weeks. This is, of course, in addition to the regular salary which is continued during this period of illness or disability.

Regular employees receiving $3,000 a year or less who are married while members of the organization, receive a wedding present from S. W. Straus & Co. of five per cent. of their yearly salary, if they have been with the organization one year, and there is an added one per cent. for each additional year of service up to and including five years. There is also a present of $100 given to each child born in the family of a regular employee who receives $3,000 a year or less.

Last year the benefits enjoyed by those receiving up to $3,000 a year were extended to those receiving $4,000 or less per annum. In addition two new features were added—a pension and a mutualization plan. A percentage of the company's earnings is set aside each year to establish an endowment fund, the income from which will be utilized in making pension payments. The provisions of the plan, as stated by the president, are:

To become eligible for pension, an employee must have been with the company twenty years and have reached the age of sixty, unless he becomes incapacitated before then, when he shall become immediately eligible to the pension providing his services with the company have been of twenty years' duration. The amount of each pension will be equal to one-half of his salary up to a maximum of $20,000 a year. In other words, $10,000 is the most that any one can receive.

The mutualization plan consists of a fund, invested at interest and maintained by yearly payments from the earnings of the company, of a percentage of the sum paid in salaries to all members of the organization earning $4,000 a year or more. For 1922 the sum equalled 10 per cent. of the salaries of all eligible members. The percentage may, of course, be increased or decreased at the discretion of the board of directors.

An employee must have been with the company 10 years before he can receive the funds set aside for him in this plan. In determining this ten years, the period when an employee may have been receiving less than $4,000 per annum is included, though the profits received are only on the years when he received $4,000 or more per annum.

Participation in the benefits of the mutualization or other welfare plans is limited to employees who are not stockholders in the company. The benefits outlined cover many phases of life, in the words of the president, "from birth to death, in sickness and in health, in the days of activity, in accident or in the infirmity of old age."

Western Trade Methods Make Slow Progress With Chinese

Canadian Exporter Must Expect to Educate These Oriental Consumers—Connection Must be Established Through a Chinese Agency—Ancient Customs Prevail.

By NEWTON L. SOMERS, B.A. Sc.

This is the second of a series of articles being written for the FINANCIAL POST giving practical news regarding the development of export trade. This article on China by Mr. Somers follows one dealing with conditions in Japan and will be succeeded by others dealing with conditions as he finds them in Strait Settlements, Burma, India, Ceylon, Australia, New Zealand and South Africa. Mr. Somers writes—"This is a very difficult country (China) but I have endeavored to give an accurate picture in the hope that it may be of use to Canadian manufacturers." Mr. Somers is a director of the exporting and importing house of Hill & Company, Toronto.

China is a house divided. There are two distinct political areas, one to the North nominally governed from Peking, and one to the South nominally governed from Canton. Respectively, the chief importing centres are Shanghai and Hongkong. The North of China is in a fairly settled state, but the South is in a state of civil war and when I was in Hongkong it was in no way safe for foreigners to go into Canton. Until this condition passes and until the North and South either unite under one central government or split into two separate and distinct states each with a strong government of its own, there can be little development of the immense resources of this vast area.

The Chinese are a people of trade. True, the arts and sciences have their devotees and some wonderful literature has been produced by this race. For war and warlike pursuits they have little use. But put the Chinese in the counting house, dealing with the most complex exchange system that the world has ever seen, handling his taels, of different value in every locality, handling his dollars and his copper cash and he is in his glory. Trade, to these people, is the outlet for the gambling instinct born and bred through the generations into the very marrow of their bones. Trade is the opportunity to match their subtle wits against those of their fellows or the heavier understanding of the foreigner.

Still "Foreign Devils"

Has our Western civilization had its effect on the Chinese? Not one whit. He will have none of it. We have good but he has better. Why change his rice for flour and why change his coat for ours, which to his mind is inferior and more uncomfortable. No, China has not received the foreigner, has shown no desire for Western ideals and has not yet opened her door. Very true, the Chinese enjoy riding in the foreign automobile and listening to the foreign phonograph, but these cannot change century old customs, cannot change standards of living, do not make the foreigner welcome. We were the foreign devils and so we remain.

The monetary system or rather systems of China speak of the subtle channels through which the Chinese mind traverses. Each city, each province, yes each bank, has its own currency. All these, based on silver, fluctuate daily and even hourly with the price of the metal. The tokens of one locality are discounted in the next in proportion to how well they are known. The paper of a bank having branches in two cities discounts the paper of the one branch at the other. Fortunes are made and lost in the buying and selling of local exchange and numerous brokers scurry from bank to bank, buying and selling, sometimes winning, sometimes losing, but fascinated in the exciting gamble and the lure of riches just out of reach. When a Chinese business man enters into a contract he immediately buys taels at his bank to cover. Only by this method could he know what his costs were going to be.

Greasing the Wheels

"Squeeze," "cumshaw" and petty grafts of all sorts enter into the daily life of Chinese business. The superintendent must have his share. The foreman his, the oiler his and the sweeper his. If these are not forthcoming your product is useless, does not wear, is condemned and you have lost a customer. On the other hand, in proportion to the amount of "salve" just in that proportion is your product popular with the men who have actually to do the using. And after all the executive usually buys what his men recommend. Nor does this extend solely to the foreigner. The rich in China, the favored few, have made themselves so by the use of every opportunity to painlessly extract the greatest possible amount from their less fortunate fellows.

The Chinese city is a good place to keep away from. The streets are narrow, one can almost reach across them; the overhang of the buildings above more or less permanently excludes the sunlight; refuse and filth of every nature litter the ground; the stench is appalling; plague and pestilence stalk young and old alike. I can think of no better comparison than that these streets are huge sanitary sewers, lacking sufficient fall to allow of proper flushing. But a movement is beginning to be felt, copied probably from the foreign settlements, to provide waterworks and sewage systems. Just how soon these improvements will actually take form is very problematical.

Small Buying Power

A high birth rate, an ever-increasing population, an ever-decreasing area of tillable soil and the same pangs of hunger combine to produce a very low scale of wages for the coolie. Contractors tell me that it is cheaper to move a given hill with coolie and basket than with steam shovel and the most modern appliances. This state of affairs works two ways in affecting sales to China. Firstly, how can a coolie become a purchasing factor on fifty dollars per year—and it must be remembered that the mass of the population belongs to the coolie class—and secondly, it precludes the use of what we like to consider as modern and labor-saving machinery.

The imports of China depend on a new standard of living. In fact, the whole fabric as it is woven must be changed and this in any race is not the work of a moment but the evolution of centuries, even when the people themselves are eager for the new ideas. And the Chinese are not. They are quite content to live in the shades of ancestors long departed but constantly worshipped and continually revered. The new standards must be built on fundamentals. Foodstuffs and clothing are these fundamentals. They are now, to a greater or less extent, going into China. Then will come improved conditions of living as may be forecast from the slight interest in sanitation.

Manufacturing in China is progressing slowly. On the one hand you have elaborate hand carvings in wood and ivory and workings in brass and copper following the methods of generations long departed. On the other you have the modern cotton and silk mills. This seems to be the beginning. With internal peace and good government this country, through its own efforts, should progress to its place among the nations.

Use Chinese Agency

No one should try to compete in the Chinese market without first having read something of its methods of doing business and also of its currency and banking. Further than this it is practically, yes I would say impossible, to succeed without acting through a Chinese agency. These may take different forms but after all only a Chinese can sell to a Chinese. Their methods are beyond our comprehension. Their language, customs, manner of thought are different to ours. We cannot hope to understand them, so we must use the implements at hand, have our Chinese partner or manager and take our wares to the probable purchaser through people of their own race.

I fear this picture may seem dark. And at the moment I do not hesitate to say that it is dark. But the proper commodity, faith in that commodity, a study of the market, and perseverance in the marketing cannot but lead to an increased consumption. And once established, the same old adhesion to the habits and ideals of their fathers will produce in the younger generation that desire for your product which will give an ever-increasing market and lead to the establishment of an enviable connection.

Not Many Western Cattle for Export to England

From Our Own Correspondent.

VICTORIA.—Western Canada, in spite of the lifting of the embargo, will not ship many cattle to the British Isles this year, in the opinion of Pat Burns, Calgary cattleman and packer.

"Feed was scarce last winter and prices were low, so that the slaughter of stock was far heavier than usual," said Mr. Burns. "That means there will be a reduced surplus this season and I doubt whether, after meeting the domestic requirements, Alberta and British Columbia will be in a position to export much beef."

Cattle prices are now on the upgrade and the general feeling is that they will continue to go up. The cattle industry of Western Canada is just emerging from one of its worst periods of depression and while the United Kingdom market will not bring about much improvement this year, it will eventually be a big factor in bringing about better conditions, in the opinion of cattlemen.

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It is announced that the number of forest rangers in Quebec this year will be increased. Instead of 1,200 men being employed in co-operation by the Government and private firms, there will be more than 1,500 forest fire rangers on duty within a short time. The fact that there is still snow in many sections of the country gives rise to the opinion that there will be no serious outbreaks before a fortnight or three weeks

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POLITICIANS ALL HET UP REGARDING THE WHEAT BOARD

Views Regarding Plans for Compulsory Body Disagree.

TIME THE SOLUTION

Policy of Alberta and Saskatchewan Premiers Appears to be One of Waiting Until it is Too Late to Act.

From Our Own Correspondent.

REGINA.—Last week the writer predicted that the wheat board would soon be laid away in rosemary and lavender—or moth balls as the case may be—until required as a political plank for an election. This week a sudden violent interest has flamed in connection with the issue, the result of which it is somewhat difficult to predict.

The whole excitement was precipitated by an announcement, published in the Winnipeg Tribune, that the Canadian Council of Agriculture was considering abandoning the compulsory marketing plan and adopting as an alterative Mr. Dunning's scheme. The latter involves, it will be remembered, utilization of the marketing machinery owned and controlled by those two great farmers' co-operative organizations, the Saskatchewan Co-operative Elevator Company and the United Grain Growers Limited.

On the heels of the Tribune's sensational story, came denials from the secretary of the council, from Premier Dunning and from J. B. Mussleman, managing director of the Co-operative Elevator Company. Inasmuch as the Hon. George Langley, president of Mr. Mussleman's company and formerly a minister in the W. M. Martin government, is suggested to be the source of the Tribune's information, the situation is rather complex. If Mr. Langley, as intimated, did disclose information relative to the C. C. A. and the wheat board, upon which the Tribune based its newspaper report, why the vehement denial from a lesser officer of the same concern? Mr. Mussleman not only declares there is not a vestige of truth in the story that the council are convinced compulsory plans must come to naught, but he asserts the "Co-op" as an organization is solidly behind the wheat board scheme.

Much Speculation

There are numerous hypotheses in this regard:

Mr. Mussleman may be entirely correct and there may be no move afoot to dispense with efforts looking to a national compulsory marketing plan for grain.

If Mr. Langley is quoting facts—that is, providing Mr. Langley did have any connection with the Tribune story—then did Mr. Langley make a premature statement? Was the information in advance of the time which political strategy demanded? Was it feared the rank and file of the farmers would resent announcement of a complete change of front in marketing, from out-and-out compulsion to mere voluntary pooling?

In any event, and whether the Hon. George Langley had anything to do with the Tribune's new story or not (mind, there is no intention on our part to imply that he did start the story, rumor merely says he did) there seems to be a reasonable and logical tint in the tale. Surely it could not have been concocted out of the whole cloth?

Mr. Dunning and Mr. Greenfield could have secured a wheat board for Alberta and Saskatchewan without much difficulty, were they prepared to permit the farmers to lose money for the sake of experience. Both premiers realize, however, that any change in the economic cosmos of the west must be proceeded with at a very careful pace and only with the most meticulous consideration.

Dunning's Problem

Mr. Dunning might very well allow the Progressive element (which is chiefly behind the board) to go ahead with the scheme and court financial disaster and political oblivion at the same time. Happily he is a bigger man than that—he need not be expected to rout his political opponents at the expense of the farmers.

But Mr. Dunning's problem is about as complicated, as fraught with dangerous possibilities, as any question fomented in federal or provincial politics in the past two decades.

With Manitoba out of any effort for a wheat board, the premiers of Saskatchewan and Alberta were faced with a delicate position. Forced to satisfy their constituents, they were at the same time called upon to exercise great care not to offer a post on the board to anyone who would accept. Failure of Manitoba to co-operate in a compulsory scheme meant that Saskatchewan and Alberta were facing competition in the home market as well as abroad. How then, could compulsion be effective when it would be impossible to even charge the consumers in the home market more because of Manitoba's independence?

So it is, although the season progresses, there are rumors aplenty regarding the ultimate fate of the wheat board. No "official" statements, however, are forthcoming and people are wondering, just wondering if all the oratorical and printed propaganda for the board, "full of wrath and fury," will "signify nothing" this year as was the case in 1922.

One out of every fifteen people in Saskatchewan owns an automobile. According to the latest Government figures Saskatchewan, whose population is over 70 per cent. rural, has a larger automobile registration than any other province in the Dominion.

The Exemptions From the New Sales Tax

Molasses and all syrups are added to the list of exemptions from the sales tax, as well as raw furs and wool, as at first announced.

Commodities already enjoying exemption are: Bread, flour, including self-raising flour; oatmeal; rolled oats and cornmeal; rolled wheat, buckwheat meal and pea meal; animals living; live poultry, meats and poultry fresh; milk, including buttermilk, condensed milk, evaporated milk and powdered milk, cream, cheese, oleomargarine, margarine, butterine, or other substitutes for butter, lard, lard compound and similar substances made from animal and vegetable stearine or oils, eggs, vegetables, fruits, grains and seeds in their natural state; bran, shorts, middlings, alfalfa meal, oil cake and meal, grains, mixed or crushed for cattle or poultry feed; hay, straw, hops, nursery stock, chicory, raw or green, green coffees, cocoa beans, bees' honey, sugar, molasses, salt, and materials for use solely in the manufacture of oleomargarine or any substitute for butter or lard, also maple syrup and maple sugar.

All the Power in Quebec Will be Developed Within 25 Years

At Present Rate of Development the 7,000,000 Horsepower Now in Sight Will be Harnessed in Little Over Two Decades, Says Eminent Engineer.

By JULIAN C. SMITH,
Vice-president and Managing Director, Shawinigan Water and Power Company.

The two great power developments existing to-day in Quebec are located at Cedars Rapids in the St. Lawrence River, thirty miles west of Montreal, and the developments on the St. Maurice River at Shawinigan Falls and Grand Mere. The third great power which ultimately may eclipse these is now being constructed on the Saguenay River just below the outlet of Lake St. John.

In addition to the above plants which generate electricity for use in public utility service, or for industrial service in the neighborhood of power developments, there are a large number of hydraulic developments supplying power for grinding wood. The total amount of hydraulic power used directly for this purpose in the province, has been stated by the Water Power Branch to be 162,825 h. p.

The St. Maurice River is a large tributary of the St. Lawrence, and flowing from the North joins the St. Lawrence at Three Rivers, halfway between Montreal and Quebec. The main power developments on this river are located at Shawinigan Falls and Grand Mere, twenty-one and twenty-four miles respectively north of the city of Three Rivers. The plants of the Shawinigan Water & Power Company are located at Shawinigan Falls, where the natural formation of the falls furnishes an ideal location for power development. The available head is about 150 feet and the first two units were put into commission in 1902. At present the combined generating capacity of the two stations is 195,000 h. p., with provision for two more 43,000 units.

The Northern Aluminum Company at Shawinigan Falls operates two power plants generating direct current for use in its own works. The total capacity of these plants is about 40,000 h. p. The energy used to operate these plants is purchased in the form of hydraulic energy from the Shawinigan Water & Power Company. In the form of hydraulic power the Shawinigan Company sells about 50,000 h. p. in all to local industries.

The Laurentide Plant

At Grand Mere, six miles above Shawinigan Falls, is located the plant of the Laurentide Power Company. There is a head of about eighty-four feet and work on the power development was completed in 1916. The power house is built on the dam, and at present there are installed eight vertical units of 20,000 h. p. capacity each, with provision for one more unit. About 40,000 h. p. of the output of this station is taken by the paper mill of the Laurentide Company, and the remainder is sold to the Shawinigan Water & Power Company and is distributed over the lines of that company. These high voltage transmission lines radiate from Shawinigan Falls, there being six lines to Montreal, eighty-five miles long, two lines ninety miles to Quebec, and two crossing the St. Lawrence River at Three Rivers, serving the Asbestos District, and extending to Sherbrooke.

The efficient operation at all times of the year of these hydro-electric developments on the St. Maurice is largely due to the extensions of the Gouin Dam at La Loutre, two hundred miles above Shawinigan Falls. This dam is owned by the provincial government and creates the second largest storage basin in the world. It and the three regulating dams on the Manouan River, a tributary of the St. Maurice, are operated by the government so as to be of the greatest benefit to all of the users of the water of the river.

The Montreal Light, Heat & Power Consolidated, which serves most of the city of Montreal and surrounding district, besides taking a large amount of power from the Shawinigan Company, also owns and operates four hydro electric plants. The largest of these is located at Cedars Rapids on the St. Lawrence River about thirty miles above Montreal. Four more machines, and two exciter units, will be installed in the near future, bringing the output of the station to the total of 229,200 h. p. Part of the power from this plant is transmitted to Montreal at 66,000 volts on a steel tower transmission line and part is transmitted at 110,000 volts forty-eight miles to Massena, N. Y., where it is used in the works of the Aluminum Company.

The Montreal Light, Heat & Power Company also operates the Soulanges plant located on the St. Lawrence River about thirty miles above Montreal, with a head of fifty feet and an output of 15,000 h. p.; the Lachine plant at the Lachine Rapids, six miles above Montreal on the St. Lawrence with a head of fourteen feet and twelve units giving an output of 13,000 h. p., and the Chambly plant on the Richelieu River with an installation of eight units and a total output of 31,000 h. p.

The Quebec New England Hydro Electric Corporation, formerly the Montreal Public Service Corporation, distributes power in the city of Montreal, which is generated at its hydro electric plant at St. Timothee. St. Timothee is on the south side of the St. Lawrence River, about thirty miles above Montreal. Use has been made of a portion of the old Beauharnois Canal, which has been enlarged and the drop, due to the Coteau and Cedar Rapids, is utilized to obtain a head of fifty feet. The plant was put in commission in 1911, and four 5300 h. p. horizontal units are installed, giving an output of 21,000 horse power. The power is transmitted to Montreal at 44,000 volts.

Plants at Ottawa

At Hull, on the Ottawa River, the Ottawa and Hull Power & Manufacturing Company operate two hydro-electric plants. Their older plant of 10,000 h. p. capacity is now used as a reserve depending on water conditions, while in their No. 2 plant there are two 10,000 h. p. horizontal units with the turbines operating under a head of forty feet. This plant commenced operations in 1919. A third unit is being added at the present time and there is provision for a fourth before the ultimate output is obtained. The company sells its product to the municipal system of the city of Ottawa. The E. B. Eddy Company in Hull, in their own power house, also generate 10,000 h. p. at this location which is used in their large manufacturing plant nearby.

The Southern Canada Power Company have a hydro electric plant at Drummondville on the St. Francis River, which is a tributary of the St. Lawrence on the south side. There are at present in operation two 3350 h. p. units in the Drummondville plant with provision for the installation of two more units of similar size. The available head is 32 feet. This power is fed into the company's transmission system which covers the part of the province known as the Eastern Townships.

There are several power developments on the various tributaries of the St. Lawrence below the city of Quebec. The Quebec Railway, Light, Heat & Power Company which sup-

(Continued on page 14)

UNION LEADERS OPPOSE WORKER PARTNERSHIPS

Against Any Form of Working Arrangement With Capital.

By VISCOUNT LEVERHULME.

At the Easter conference of the National Union of Distributive and Allied Workers, held at Southport, a resolution was passed, on the motion of the Cheshire and North Wales Divisional Council, which includes our Port Sunlight works, expressing the opinion that the time had arrived when the general trade union movement, through its annual congress, should declare itself against any form of capitalist co-partnership, believing that the capitalist attempts to introduce certain forms of co-partnership were designed to mislead the workers and prevent trade union solidarity.

Apparently, he is a good citizen who does not find remunerative employment for his fellow-men, and he is a bad citizen who does provide remunerative work for his fellow-man, but he is the worst type of citizen who wishes to do so on a basis of co-partnership. I believe the word used to describe this evil action of finding remunerative employment is to "exploit" the worker, whether you deal with him solely as a weekly wage-drawer, or as a co-partner, and desire to raise him to the status of a capitalist holding co-partnership certificates—in the case of co-partners in this company already amounting to a nominal value of over £2,000,000 sterling, and we hope, of increasing value each year.

Each succeeding year your chairman has been instrumental in employing a greater number of his fellow-men, until to-day the number exceeds 40,000, and each succeeding year he has found that it has entailed extra work upon himself, so that instead of getting relief from the so-called "exploitation" of his fellow-men, your chairman's opinion in his seventy-second year is that his fellow-man is exploiting your chairman, and really taking more out of him than the strength with which he was endowed by nature has placed at his disposal. For some years now your chairman has had to get up at 4.30 in the morning, and your chairman's opinion is very strongly that, so far from your chairman exploiting his fellow-man, it is his fellow-man who is exploiting him.

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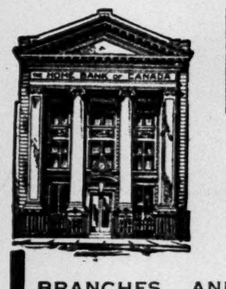

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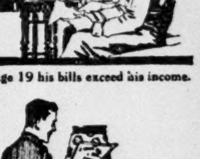
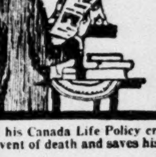
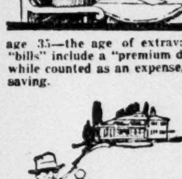


At age 19 his bills exceed his income.

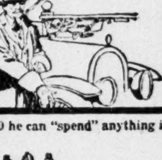


At Age 21 his Canada Life Policy creates an estate in event of death and saves his money.

At age 35—the age of extravagance—his "bills" include a "premium due," which, while counted as an expense, is really a saving.



At age 50 he can "spend" anything in reason.



At age 60 he has "saved" to some purpose, has no anxiety for the future, and leisure for his many interests.

If you were to start in and save $40 each six months and let it compound at 5½%—in 30 years you would have over $6,000 but—you know of many people who could have set aside this amount, yet who are still "drudging along" with no hope of relief.

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News and Views for Investors

LYALL CONSTRUCTION

There has been quite a decline in the market price of Lyall stock despite the fact that right at the present time the company has orders on its books totalling $15,000,000. The last sale of the stock made on the last day of May involved a block of 90 shares at 35 or 4½ points below the price of the last sale.

MILLING SHARES DOWN

In connection with the decline in the market price of milling issues which has been quite heavy as compared with the year's high, it is to be noted that flour prices in Minneapolis are now the lowest in six years, a recent cut by one of the largest milling concerns putting its price at $6.25 a barrel when sold in car lots and packed in 98 lb. sacks.

HOWARD SMITH

The extensions at the plant of the Howard Smith Paper Mills at Cornwall indicate the excellent business this company is experiencing. Export trade is particularly good and an aggressive attack on foreign markets is planned by the directorate. The chief addition to the plant is a new finishing room and there will also be increases in and extensions to the power development and the machine room.

DOMINION TEXTILE

When Dominion Textile declared only its regular common dividend of 1 per cent. this week some disappointment was felt among the more optimistic investors who were expecting the rate to be increased to 1½ per cent. or six per cent. per annum. Certainly the stock market has forecast this higher dividend. But Dominion Textile is strongly entrenched marketwise and the disappointment of the few did not affect the market materially, the change for the day on which the dividend was announced being only a half point decline.

BRAZILIAN

Brazilian earnings continue to hold up well above the previous year. The exchange situation, however, tends to keep the market nervous with the result that the issue stands around 48. Net earnings in April 2,000,000 milreis over April, 1922. Aggregate gross earnings from January 1 to the end of April at 75,603,000 milreis compare with 60,156,000 for the corresponding period of 1922, an increase of 15,447,000. Aggregate net earnings for the two periods stands at 45,106,000, and 36,013,000 milreis respectively, an increase for the current year of 9,093,000.

MACKAY AND C.P.R.

Clarence H. Mackay, president of the Postal Telegraph-Commercial Cable System, announces that his company has executed an exclusive connecting line agreement with the Canadian Pacific Railway for the interchange of telegraph and cable traffic. By the contract the telegraph system of the Canadian Pacific Railway will hand to the Postal Telegraph-Commercial Cables all telegraph and cable traffic collected by it in Canada destined to all parts of the world and reciprocally the Postal Telegraph-Commercial Cables will hand to the Canadian Pacific all telegraph and cable traffic destined for Canada. The contract is for a period of ten years.

PACIFIC BURT

Since the issuance of the Pacific Burt report, the best in the history of the company, there has been a steady accumulation of the stock and the market price has risen five points to 107. Sales at that price have totalled 165 shares with no more offering. The opinion on the street is that the next sale will be higher. The issue is now 15 points above the 1923 low, while the preferred at 107½ is selling 8½ points above the year's low. Business on the Western coast is reported booming. Besides the present year will be the first to show a full 12-month with the total profits of the Los Angeles plant. The full profits of the concern were added to the 1922 report from October on and were partially responsible for the company's splendid showing.

BARCELONA TRACTION

The gross earnings for the first three months of 1923 show a considerable increase over those for the corresponding period of 1922, but the net earnings are not being maintained at the high level of 1922. Owing to a very dry season the company's water power has been considerably curtailed, with the result that until the middle of March last it was necessary to use coal for generating power, which caused operating expenses to advance. The net earnings, however, are greater than those for the corresponding period of 1921.

CANADIAN GENERAL ELECTRIC

Buying of Canadian General Electric on a large scale has been resumed after a couple of weeks ease-up when the weekly sales dropped to around 1,000 shares after having reached a total of 6,399. It was during that week that the stock soared to 103¾ for a new high. Last week the stock was up to within a quarter of a point of the high on sales of 2,610. Though the price has since eased a point, there is still a strong demand. Most of the buying is reported from Montreal, though there is also a fairly active interest in the issue in Toronto. Greatly improved business is said to be the real reason back of the demand for the stock.

TWIN CITY

Twin City common will go on a 6% basis. This will call for the distribution to the shareholders of $1,320,000 yearly. This is a move on the part of the directors that has been long anticipated on the market. However, there was just enough doubt as to size of the dividend to leave the final spurt to the last. Practically at the time the meeting convened there was a spurt in the stock to 71 from around 68. Last week the stock sold up to 70. This is just 10 points above the high of the first of the year. The street was divided on whether the dividend would be 5 or 6 per cent. In 1917, Twin City paid 6%; April 1, 1918 there was a payment of 1% also in January, 1919; 2½%, February, 1920; 3%, January, 1921; 2%, February, 1922; 2%, July, 1922.

MONTREAL ONTARIO MINES

The stock of the Montreal Ontario listed early last month has taken a recent spurt to the vicinity of 60 cents as a result of reports from the north of an important strike on the 450-ft. level. What is more important generally, however, is that if the find turns out as reported, it may mean the revealing of a second zone of mineralization in the Kirkland Lake Camp. The Montreal Ontario is considerably to the south of the Lake Shore and others. It has been contended by many that the Hunton, Canadian Kirkland and other properties were on a southern zone. While they have shown more or less spotty ore bodies in the amount of work done, the discovery at the 450 on the Montreal Ontario is said to be more consistent. The details of the find will be watched with interest.

B. C. TELEPHONE

This company is now operating under a charter of the Dominion of Canada as distinct from the Provincial charter hitherto held. There has been no alteration, however, in the security, for either the debentures or the shares of the company. For each of the twelve years to 1921-22 inclusive the dividend on this company's ordinary shares has been maintained at the rate of 8 per cent. This steady record of dividend payments shows the stability of the undertaking. The number of telephones in use increased from 26,000 in 1911 to 71,954 at 31st March, 1922, and extensions of the system are constantly being made, whilst the advance in the company's rates should result in augmented revenue. The company does a large business with the United States.

DOME MINES

There is considerable gossip going about as to what action the Dome Mine shareholders will take at their annual meeting in Toronto on Tuesday next in regard the new stock and dividend. President J. S. Bache, in an interview with the Wall Street Journal, can see no reason why the original plans should not be carried out. This plan is to split the stock, now $9 par value, one dollar having been returned, on a basis of four new for one old. At the present market, this would give the new stock a market value around $10. A dividend assurance fund has been created and the proposal is to pay $1 per share per year on the new stock, or 10 per cent. An interesting rumor that is going the round is that there may be a bonus paid to the shareholders at the same time. This is not an impossibility as the company's surplus is growing rapidly.

LAURENTIDE-ST. MAURICE

Laurentide and St. Maurice paper have been strong and active members of the paper group of late. The talk of a merger of all the pulp and paper companies operating in St. Maurice Valley is the reason St. Maurice has risen from a year's low of 88 on Feb. 1 to 108, while Laurentide moved up from 92 to 101. It is being pointed out that such a merger would reduce costs materially. St. Maurice has large limits, and its acquisition by Laurentide is the first step that is expected in the merger. McCuaig Bros., Montreal, state that the most recent story is that St. Maurice control will be purchased for cash and that the Laurentide Company will dispose of its holdings of Laurentide power to a large power company in order to provide the necessary funds. While the investment in Laurentide Power is undoubtedly a valuable one, an exchange of this kind would be advantageous, not only on account of St. Maurice's large limits, but also because its potential earning power would seem to be considerably greater than that of Laurentide power. The paper group generally declined materially in the recent market break and brokers are now predicting a quick recovery. Favorable developments are being talked of, one of which is an increase in the Abitibi dividend.

STOCKS DECLINED 50 MILLIONS DURING THE RECENT SLUMP

Milling Issues Show Most General Decrease From Year's High.

UNDERTONE BETTER

Many Stocks Have Recovered Part of the Loss Which Was at Maximum Late in May.

There has been much talk of the recent slump in the market price of listed stocks of the United States first and Canada afterwards. In the United States the slump ran into billions. In Canada the slump was not so large nor the decline so general, hence the total was only in the millions.

Of course, the shrinkage was in the paper value of the securities and in many cases these losses have already been made up. It was about the third week in May that the decline in issues reached its maximum and while the recovery since then has not been general, it has spread to a great many issues.

Below will be found a table showing the greatest of the declines. There are 46 issues in the list, representing 40 different corporations. It will be noted that the milling companies lead in the decline, Ogilvie being the heaviest with 27 points from the high of 331 in the latter part of March. Most of the paper and textile issues also show fairly substantial declines. The total decline is $50,156,214. C. P. R. had the greatest maximum total, with Mackay and Brazilian following in order.

There has been a very slight renewed activity since the recent long holiday, and while there has been no great jump in any group, the opinion of the street is that the market is strong in undertone and will take but little buying to start the upward movement again.

Brokers are now talking about the market decline as a scare. One makes the statement that he is satisfied that the scare has been well outlived and that the next stage of the bull movement in New York, he sees one coming, will find the Canadian markets ready to respond. However, this highly-optimistic feeling is not shared by even the majority.

Spencer Trask and Co. say that the market has probably realized that the fears entertained were only partially warranted, and that the danger point that they have been dreading has already passed. The curbing of over expansion they lay to the continued warnings that have been sounded. J. S. Bache & Co. give an interesting view of how the market predicted the recent turn in business and touches on the outlook for the future as follows:

The stock market thus far has proved itself a fairly reliable forecaster as to the existing business movement. The decline, which began nearly three months ago, predicted the decrease in general business which is now taking place. It is perhaps too early to definitely conclude what the current abrupt rebound to higher prices is pointing to. There is no question, however, that the decline at its bottom brought out large buying orders from sources not usually active. Whatever the rise may indicate as to the further future, it warrants the belief that there is to be no sudden collapse in the trade movement and that the business halt is a temporary one. Whether or not the approaching months are to bring about a large measure of prosperity depends, in our opinion, largely upon the outcome of the harvests, and should these eventually prove favorable, it may be presumed that the stock market will evidence such an outcome by higher prices, considerably in advance.

Whatever, under these circumstances, the speculative contingent may decide to do, the investor, while so unreliable a factor as the weather enters into a situation, must adhere to the purpose of holding or acquiring only the most carefully selected securities, which have proven their enduring earning power and stability.

The following table shows the declines in stocks from the high of the year:

Company	1923 High	Recent Low	Net Loss	Deprec. of Values
Abitibi	74	66	8	2,000,000
Am. Sales Book, C	40¼	34½	4¾	145,981
P	93	89	4	122,932
Asbestos Corp., C	72½	62½	10	300,000
P	91	82½	8½	340,000
Atlantic Sugar, C	27½	18	9½	332,500
P	48	41¼	6¾	168,750
Barcelona	20¾	17¼	2½	686,250
Bell Telephone	123	120¾	2¼	603,405
Brazilian	53	48⅛	4⅞	5,195,580
B. E. Steel, C	10	8½	1½	366,750
1st. P	73	67	6	410,034
2nd P	26¾	23½	3¼	1,863,875
Brompton	44	39	5	700,000
F. N. Burt, C	140¼	133	7¼	156,099
Can. Bread, C	66¾	54¼	12½	312,500
Can. Car, P	35	28	7	348,350
Can. Cement	87½	82¼	5¼	708,250
Can. S. S. C.	19	16	3	360,000
P	56¾	49	7¾	968,750
Can. Converters	103	93⅞	9⅛	158,181
Can. Cottons	137	116	21	570,255
Can. Loco.	75	71	4	80,000
C. P. R.	162	154	8	20,800,000
City Dairy, C	150	144	6	33,900
Dom. Bridge	78¼	73	5¼	341,250
Dom. Glass	105¾	97	8¾	371,875
Illinois Traction	63	50⅛	12⅞	1,587,616
L. of Woods	184	174	10	350,000
Lyall Cons.	48	35	13	227,500
A. McDonald	11¼	6	5¼	157,500
Mackay, C	124	108	14	5,793,256
Maple Leaf, C	126	110	16	400,000
Mont. Tramways	158	151	7	280,000
Ogilvie	331	304	27	675,000
Ottawa L.H.&P.	92½	84	8½	297,500
Penmans	165½	153	12½	53,765
Price Bros.	46¾	43½	3¼	1,387,204
Quebec Rly.	27¼	23⅞	3⅜	337,483
Riordon	9¼	2½	6¾	1,822,500
Spanish River	99⅞	92	7⅞	709,520
H. Smith	83½	78	5½	203,153
Steel of Can.	79½	74	5½	632,500
St. Law. Flour	80¾	65	15¾	189,000
Toronto Rly.	95	81	14	1,680,000
Winnipeg Elec.	42¼	34	8¼	907,500
				$50,156,214

British Empire Steel Corporation produced 457,125 tons of coal in May or 148,686 tons more than in May last year. The first five months of this year has been marked by a production totalling 2,309,143 tons as compared with 1,381,551 tons in the first five months of 1922.

Canadian Financier Has an Aerial Home

Mr. and Mrs. Harry S. Black are to have an aerial home on the roof of the new addition to the Plaza Hotel, New York, eighteen storeys above the street. A large duplex apartment will be built for them this summer and opened next October. From this lofty house, one of the highest in New York, Mr. and Mrs. Black will overlook the most interesting part of New York and away over Jersey and out to sea.

Mr. Black is chairman of the United States Realty and Improvement Company, which owns the hotel, and is also chairman of the executive committee of the operating company, and so is able to pick this attractive eminence for his home. The G. A. Fuller Co., contractors, are a subsidiary company. Harry is a son of a retired British army officer and was born in Ontario.

LARGER BOARD FOR NATIONAL CITY CO.

Four More Leaders of Finance Added, Following United Financial Purchase

From Our Own Correspondent.

MONTREAL.—The purchase of the United Financial Corporation by the National City Company, Limited, has brought four new directors to the latter company to strengthen an already powerful directorate. The new directors are Sir Charles Gordon, president of Dominion Textile and Penman's and vice-president of the Bank of Montreal; F. W. Molson, president of Molsons Bank, and Hon. J. M. Wilson, and Charles R. Hosmer, president of Ogilvie Flour Mills, Canadian Cottons, etc. The new board of the National City Company consists of the following gentlemen in addition to the above: Baron Shaughnessy, Sir John Aird, Sir Lomer Gouin, W. L. Matthews, Lt.-Col. Herbert Molson, Sir Augustus Nanton, E. L. Pease, W. N. Tilley, K. C., and Norman L. C. Mather, managing director.

Mr. Mather, who has been manager in Canada of the National City Company for the past four years, is an Ontario man, having been born in New Lowell in that province. He got his start in the bond business as cashier for A. E. Ames and Company in 1898 and was later with the Dominion Securities Corporation. From 1912 to 1917 he was a partner in the firm of Murray, Mather and Company in Toronto.

Belgo Canadian Company Announces Its New Board

The complete board in charge of the affairs of the Belgo-Canadian Paper Co., Limited, is announced as follows: H. Beirmans, formerly vice-president and general manager of the Belgo Company, president; Sir Herbert Holt, vice-president; directors, John Stadler, chief engineer and manager; Francois Faure, John W. Ross, P. S. Ross & Sons, chartered accountants, Montreal, director Sun Life Assurance Co. of Montreal; Edmond Taschereau, director Quebec Railway, Light, Heat & Power Co.; J. H. Gundy, Wood, Gundy & Co.; H. Newman, Newman, Sweezey & Co., Limited; R. O. Sweezey, consulting engineer; A. de Hauffe, secretary-treasurer; Chas. Lebrun, assistant secretary-treasurer.

Offering is being made by Wood, Gundy & Co., and Newman, Sweezey & Co., of an $8,000,000 issue of 6 per cent. 20-year first mortgage bonds. It is announced that the issue is being sold both in the United States and Canada, and a large part of it has already been taken up. The company's predecessors have been in operation over twenty years, and have an excellent record of earnings. At present net earnings available for bond interest, depreciation and income taxes are equivalent to 5½ times interest required by the present issue.

What is Newsprint? Ruling is Expected

From Our Own Correspondent.

MONTREAL.—Within a few days Canadian paper mills hope to have a definite ruling from the United States government defining "standard newsprint." Need for a definite determination of the matter has arisen through the Fordney-McCumber tariff schedule which permits the free entry into the United States of "standard newsprint," whereas in the tariff measure which it succeeded, the rates of duty on newsprint were variously designated to weight and value.

The lack of a definite ruling has been perplexing American newspaper publishers for some months past and many shipments from Canadian mills have been held up at customs points for individual rulings from Washington as to their status as "standard newsprint." The Canadian paper mills are hoping that the ruling, when it comes, will be sufficiently broad to admit free into the United States practically all grades of newsprint including what is called "half-tone news," the latter being higher in price than that ordinarily used in daily newspapers.

PORTO RICO RAILWAYS

Gross earnings of the Porto Rico Railway Company for the month of April showed a decrease of 1.68 per cent., as compared with those for the corresponding month in 1922. Net earnings declined 25.58 per cent. For the first four months of the current year, gross earnings are up 1.81 per cent., with the net down 15.94 per cent. Comparisons are as follows:

For April—	1922	1923	Increase	%
Gross	$112,172	$110,285	x1,877	1.68
Net	48,405	35,019	x12,385	25.58
For Five Months—				
Gross	$433,112	$440,983	7,871	1.81
Net	184,721	155,276	x29,444	15.94

x—Decrease.

SOUTHERN CANADA POWER WILL HAVE 44,000 H.P. OUTPUT

Plans In New Financing Provides For Stocks Exchange

From Our Own Correspondent.

MONTREAL.—Next week will see the offering of new preferred stock of the Southern Canada Power Company which is being issued in connection with the financing of the 30,000 h. p. development of the company at Hemming's Falls. The new stock must first be authorized by a special general meeting of the shareholders but proxies already in assure that authority will be given. The stock will be offered to investors generally and will not be restricted, as was the last offering of this company, to customers in the district served. The offering will be to the amount of $1,500,000 of the new preferred.

The present preferred stock holders who hold $1,000,000 of 6 per cent. stock will receive an equal amount of a new 6 per cent. preferred stock. The new stock, however, will have the added attraction of a participating feature. Whenever the dividend on the common shares exceeds 6 per cent. the preferred shareholders will receive an equal amount, up to 7 per cent. With the earnings of the company increasing at a rate that makes common dividends not too distant a possibility the value of this participating feature gives added value to the new preferred. There will also be a change in the common stock of the company the present authorized common capitalization of $4,500,000 of stock of $100 par value being changed for 100,000 shares of no par value. There is now $4,200,000 of common outstanding and the holders of this will receive one share of the new stock for each share now held.

The New Capital

The capital of the company on the completion of the capital re-arrangement and the sale of $1,500,000 of new preferred will be as follows:

	Authorized	Issue
Com., no par value	100,000 shares	50,000
6% participat'g pfd.	$5,000,000	$2,500,000
6% 1st mtge. bonds 1948	5,000,000	4,637,500

On completion of this financing, fixed assets will exceed, it is estimated, $13,500,000, which after deducting the funded debt will leave an equity of around $300 a share behind the preferred stock. The earnings available for dividends on the preferred stock in 1922 amounted to $150,000; based on actual results of the first seven months of the present fiscal year, 1923 earnings are estimated at $240,000. With receipts from the increased capacity of the company's plants and contracts already made, earnings for the next four years available for dividends on the preferred are estimated as follows: 1924, $339,000; 1925, $443,000; 1926, $629,000 and 1927, $644,000.

The company has 14,000 h. p. developed at the present time and is using a large amount of purchased power. When present developments are completed the developed capacity will be 44,000 h. p. and undeveloped capacity 100,000 h. p.

The preferred stock issue will be offered by Nesbitt, Thomson and Company, who have acted as fiscal agents for the company in the past.

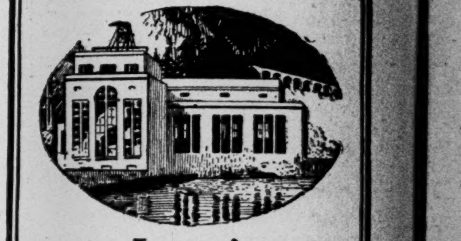
Keefer Realty Issue by W. A. MacKenzie Co.

A bond issue of $750,000 of the Keefer Realty Corporation is being offered by W. A. Mackenzie & Co. The bonds, which bear 6½ per cent. interest, are secured by a closed first mortgage on land in the city of Montreal and a ten-story office building which will be erected on it. The total value is estimated at $1,250,000. The earnings of the company appear to be conservatively estimated. The trust deed provides for the maintenance of a sinking fund of $15,000 a year from 1926 to 1932 and of $22,500 from 1933 to 1942. In addition, a reserve fund of $50,000 must be accumulated before any dividends on capital stock are paid.

Mining Stock Quotations

Week Ending June 5th

	High	Low	Close	Sales
Apex	3½	—	—	1,500
Atlas	7¼	6½	7	21,000
Argonaut	80	76	80	55,150
Baldwin G.	13	10	12¾	68,000
Beaver	37	32½	32½	22,500
Bidgood	17½	16	16½	15,500
Buckingham	20	14	14	32,500
C. Tretheway	25	22	25	8,000
Chap't Hughes	8	—	8	17,000
Coniagas	2.85	2.65	2.75	900
C. W. Dome	28	21	27½	228,675
C. Smelters	26	25	25½	578
Clifton	23½	16	20	100,000
Col. Kirkl'nd	13½	—	—	1,000
Cr. Reserve	60	58	58	29,010
Churchill	11½	—	11½	1,000
Davidson Ex. Rights	5½	—	—	1,500
Dome Mines	39.50	35.00	38.80	3,350
Dom. Kirkl'nd	2⅞	2	2½	3,250
Gold Reef	2⅝	2½	2⅝	12,000
Goldale	59	49¾	59	52,300
Hattie	40	35	35	64,500
Hillcrest, pref.	90	—	—	35
Hollinger	12.15	11.90	12.10	4,145
Hunton	12	10	11½	1,950
Inspiration	9	—	—	10,000
Keora	14	12	14	37,000
Keeley	1.88	1.75	1.84	2,500
Kirk. Lake	47½	41½	41½	8,000
LaRose	33	29½	30	8,100
Lake Shore	3.35	3.25	3.35	2,800
Lorrain	27½	20	21	93,500
Montreal, Ont.	57	51½	57	39,500
McEnaney	34	33	33	3,000
McIntyre	19.00	17.75	18.30	2,350
McKinley Darragh	18	17	17¾	19,500
Mining Corp.	3.00	—	2.65	342
Moneta	23¾	21½	23	27,000
Newray	41	36½	39	43,800
Nipissing	5.95	5.75	5.90	1,650
Ophir	2¼	—	2¼	1,000
Pete. Lake	10¼	9½	9½	4,500
Porc. Crown	12½	12	12½	13,050
Preston E. Dome	12⅜	11	11	26,500
Teck H'ghes	1.36	1.25	1.33	55,500
Timiskaming	42	41	38	8,500
Beatty	20½	20	20	32,000
Vickers	32	31½	32	24,500
Vipond Cons.	62	50	51	[illegible]
Wakenda	7½	5½	5½	12,000
Wasapika	7¼	7	7¼	51,000
West Tree	9	8	[illegible]	10,000
Wright Hargreaves	[illegible]			



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SAY AN OIL POOL EXISTS SOMEWHERE IN SOUTH ALBERTA

Great Excitement Following Strike by Imperial Oil Company.

There is great excitement in Southern Alberta oil fields because of the recent striking of oil in the Imperial Oil Company's number one well, west of Coutts. Considerable acreage is changing hands and prices are soaring. Water, which appeared in the well and drowned out the oil just after its appearance, is the only thing that is holding the speculating within bounds. An effort is to be made to cut off the water by cementing the flow. If this can be done it is just possible that the well will be "shot."

The showing of oil in the Imperial wells, although it has been small to date, is the best showing of crude oil thus far on the Canadian end of the Sweetgrass dome. It is stated that the flow of light oil was struck at the 2,525-foot level. The result of the test or analysis of the oil has not yet been published.

Oil men contend that the Imperial strike restores absolute confidence in Southern Alberta field. They say it proves that somewhere in the south country there is a pool of oil. It is believed that the oil in the Imperial wells was encountered at the base of the Cootenay camp, just above the Ellis formation. Such are the conditions in the Montana field.

It is believed that the information of geological conditions secured in the Imperial well materially improves the prospect of the MacLean-Mitchell and other wells drilling on the Quarantine. Messrs. MacLean and Mitchell, by the way, are two former members of the Alberta Liberal Government.

Community Oil Wells, organized and financed by the people of Medicine Hat, have a hole down at Many Island Lake 2,471 feet. They expect to reach the Dakota sands in the next 400 feet. Community Oils was organized at a public meeting of the citizens of Medicine Hat.

Negotiations are on with private interests to drill a well within the boundaries of Medicine Hat. It is understood that the Imperial Oil Company has been approached on this matter.

UNLISTED SECURITIES

	Bid	Asked
Belding Paul, pfd.	87	90
Canada Mortgage	67	..
Can. Westinghouse, com	129	133
Can. Machinery, pfd.	37	43
Can. Marconi Wireless	1.25	2.10
Cockshutt Plow, 7% pfd.	43½	46
Can. Oil Companies, pfd.	96	98½
Do., com.	..	53
Commercial Finance, pfd.	70	76
Cosgrave Breweries	7½	..
Continental Life	108	..
English Electric, com.	15	17
Do., pfd.	74	75
Dom. Power & Trans. pfd.	92	..
Do., com.	40	43
Dunlop Tire, 7% pfd.	86	87½
Dom. Liners pfd.	70	75
Eastern Theatres 7% pfd.	67	70
Do., com.	8	9
Excelsior Life	31½	.
Farmers' Dairy	51	..
Fam. Play. 7% p. 50% c.	80	83
Gunns, Ltd., 6% pfd.	..	36
Great West Life	214	..
Durant Motors	..	8
Dominion Mfg., pfd.	58	..
Inter. Milling Co., pfd.	97	..
K.&S. Tire 7% pfd. 25% c.	..	38
La Paz Oil	..	30c
Lambton Golf Club	450	500
London Loan	46	51
Loew's Toronto, pfd.	..	60
Do., com.	30	35
Loew's London, pfd.	4¼	5
Do., com.	1½	2½
Massey-Harris Co.	48	52
Manufacturers' Life 20%	55	..
Mercantile Trust	98	..
Mortgage Discount Units	..	11
National Brick, pfd	51	54
Do., com.	10	13
National Life $25 paid	50¼	..
Northern Can. Power, com.	50	..
Ontario Equitable Life	..	30
People's Loan	60	..
Pantages, Hamilton 7% pfd.	33	..
Do., com.	..	2½
Robertson P. L. Co.	25	35
Rolph Clark Stone, com.	15	..
Sterling Coal, com.	37	39
Simpson, Robert 6% pfd.	91	92½
Sovereign Life	18	..
Sun Life Assurance	140	..
Toronto Brick, Co. pfd.	75	..
Trust & Guarantee	75	80
Tiger Tire Units (1 pfd. 2 com.)	..	22
Western Grocers, 7% pfd.	..	55
Whalen P. & P. Co., pfd.	17	19
Western Assurance	7½	..
King Ed. Const. pfd.	93	98
Brit. Amer. Assurance	6	7
Can. Assoc. Goldfields	7	11
Can. Kirkland Gold	6	10
Whalen Pulp, pfd.	17	19

CANADIAN ISSUES GIVE BETTER YIELD THAN THOSE OF U.S.

Interesting Analysis of 40 Securities Made by Broker.

BONDS AND STOCKS

Compares 10 Preferred Stocks of Canada and the United States and Equal Number of Bonds.

J. G. Beatty and Co., stock and bond brokers, Toronto, have issued an interesting pamphlet on 40 issues, 20 bonds and 20 preferred stocks, again subdivided into 10 Canadian and 10 U. S. The average price and yield is given and the result shows distinctly in favor of the Canadian securities. The preferred groups' averages show that for 33 cents more per $100 face value purchased, the Canadians return a .56% greater yield than the United States, while for $3.58 less per $100 face value bond purchased, the Canadians return a yield in excess of the United States of exactly 1.00%.

Comparing the yields of bonds and preferred stocks both Canadian and U. S. groups show an advantage for the stocks. The Canadians give a yield .82% greater than the bonds and the U. S. 1.26% greater.

A combined comparison shows that 20 standard preferred stocks on an average yield 1.04% more on the investment than do 20 high-grade bonds.

The average price and yield compared:

	Stock Price	Stock Yield %	Bond Price	Bond Yield %
Can.	$105.03	6.66	$87.70	5.84
U. S.	104.70	6.10	91.28	4.84

The ten Canadian preferred issues follow:

Company	Pref. Stock	Price	Yield %	Years Paid
Steel of Canada	7%c	101	6.90	11
Bell Telephone	8%	121¼	6.60	38
Maple Leaf	7%c	101	6.90	13
Consumers Gas	10%	159	6.30	60
City Dairy	7%c	105	6.70	16
Canada Bread.	7%n.c.	95	7.40	12
Canada Cement	6's 1929	101¼	5.90	
Can. Locomotive	6's 1951	96½	6.25	
Mackay	4%c	70	5.70	19
Penmans	6%c	96	6.30	17

Ten Canadian bonds follow:

Company	Bond Issue	Price	Yield %
Steel of Canada	6's 1940	102	5.90
Asbestos Corp.	5's 1942	90	5.60
Sao Paulo Elec.	5's 1962	90	5.60
Cons. Rubber	6's 1946	101¾	5.90
Dom. Canners	6's 1940	99	6.10
Canada Bread	6's 1941	99¾	6.00
Canada Cement	6'c 1929	101¼	5.90
Can. ocomotive.	6'c 1951	96½	6.25
Can. Gen. Elec.	6's 1942	101¼	5.90
Penmans Ltd.	5's 1926	95½	5.25

U. S. Issues

The ten U. S. preferred stocks follow:

Company	Pref. Stock	Price	Yield %	Years Paid
U. S. Steel	7%c	118	5.90	22
Baldwin Loco.	7%c	112	6.30	12
Union Pacific	4%n.c.	74	5.40	24
Corn Products.	7%c	118	5.90	7
Endicott-J'nson	7%c	115	6.10	4
Atchis'n T.&S.F.	5%n.c.	89	5.60	23
National Lead.	7%c	112	6.30	31
American Can.	7%c	108	6.50	11
Int. Harvester.	7%c	112	6.30	5
Stand'd Milling	6%n.c.	89	6.70	8

The ten U. S. bonds follow:

Company	Bond Issue	Price	Yield %
U. S. Steel	5's 1963	102½	4.90
Baldwin Loco.	5's 1940	102	4.90
Union Pacific	4's 1947	91	4.40
Chicago & N.W.	3½'s 1987	74	4.75
P. Lorillard	5's 1951	96	5.20
Louisville & N.	4's 1940	91	4.40
Montana Power	5's 1943	96⅝	5.20
Morris & E. Ry.	3½'s 2000	76⅝	4.85
Am. Telephone.	5's 1946	98	5.10
Illinois Central	4's 1951	85	4.70

BRAZILIAN TRACTION

Gross earnings of the Brazilian Traction, Light and Power Company for the month of April amounting to 9,727,000 milreis compared with 15,413,000 for the same month in 1922, an increase of 4,314,000 milreis. Operating expenses were higher at 8,181,000 compared with 5,853,000, while net earnings amounting to 11,546,000 milreis, showed an increase of 1,986 000

TEN MILLION BARRELS OF FLOUR EXPORTED

Canadian Mills Broke Record in Number of Barrels Sold During 1922-1923

From Our Own Correspondent.

MONTREAL. — Canada's export trade in flour in the fiscal year just closed broke all previous records, more than ten million barrels of wheat flour having been shipped to foreign countries. The number of barrels of flour exported in the 1923 fiscal year was 10,227,060, more than one-third greater than in the previous year when 7,414,282 barrels went from Canadian mills to outside markets. Even the high records of the war years were broken. Canadian flour exports for some years back have compared as follows:

Exports of Wheat Flour

	Barrels
1913	4,478,043
1914	4,832,183
1915	4,952,337
1916	6,400,214
1917	7,425,723
1918	9,931,148
1919	9,205,439
1920	8,863,068
1921	6,017,032
1922	7,414,282
1923	10,227.060

Owing to decline in prices the figures do not swell the value of exports to the degree that they increase the actual number of barrels. The 9,900,000 barrels exported in 1918 had a value of $95,896,492, while the 10,227,060 barrels sent to foreign markets this year were valued at $60,075,426.

Measured in dollars wheat flour exports have been as follows:

1913	$19,970,689
1914	20,581,079
1915	24,610,946
1916	35,767,044
1917	47,473,474
1918	95,896,492
1919	99,931,659
1920	94,262,928
1921	66,520,490
1922	53,478,150
1923	60,075,426

SMOKE

in ½lb. tins and 15¢ pkts.

OLD CHUM

The Tobacco of Quality

British Investors Must Use Sound Judgment

In an interview given to the Canadian Gazette in London, the Hon. Frank Carrel, M.L.C., Quebec, urges a thorough investigation not only of the concern in question but those connected with it before placing British capital in Canadian enterprises. He referred to the fact that there are many dangerous promoters whose only conception of organization is to fill successfully going concerns with inflated, watered stock. If the Britisher is careful to avoid this class of company there will be small losses in Canada. There is no harm in watered stock provided it is used for the purpose for which it was created, but it is difficult to prevent manipulation of such stock to the disadvantage of the minority shareholders when controlled by unscrupulous promoters. American financial houses are opening institutions in Canada with Canadian advisory boards and this is an excellent example which might well be followed in the case of British capital.

In expressing this warning to the British investor, Mr. Carrel at the same time points out that Canada presents remarkable opportunities for investments in the development of her almost untouched natural wealth.

CANADIAN PACIFIC

The Canadian Pacific Railway reports gross earnings for the week ending May 31, amounting to $4,542,000 compared with $4,478,000 for the corresponding period in 1922, an increase of $64,000.

STOCK MOVEMENTS OF THE WEEK

Week Ending June 5

Banks—	Div. Rate	Ask	Bid	High	Low	Close	Sales
Commerce	12	200	199	199	197¾	198	95
Dominion	12	196	195½	196	196	196	62
Hamilton	12	168	167	168	167½	168	29
Imperial	12	182½	181½	184	183	183	91
Molsons	12	—	175	176	175	175	51
Montreal	12	248	246	248	247½	248	127
Nova Scotia	16	264	—	262	261¾	262	17
Royal	12	—	220	221	220	221	47
Standard	14	208	207	208	207	208	72
Toronto	12	187	186	186	186	186	16
Union	10	—	128	130½	129	129¼	382
Industrials, Utilities, etc.—							
Abitibi Pulp & Paper, com.	4	66¼	65¾	67	66	66	550
Do., pref.	7	100	98	99½	99½	99½	15
American Salesbook, com.	—	38	35⅜	35½	35¼	35½	20
Do., pref.	7	89½	89	89½	89	89	61
Asbestos Corporation, com.	6	63½	62½	62½	62½	62½	275
Do., pref.	7	82½	—	83	82½	82½	75
Atlantic Sugar, com.	—	22	20¾	22	21	21	205
Do., pref.	—	—	40	42	41¼	41½	365
Barcelona Traction	—	21⅞	21½	22	20¾	21⅞	765
Bell Telephone	8	121¼	121	121½	121	121	453
Brazilian Traction, com.	4	48½	48½	48½	47⅞	48½	2446
B. C. Fishing	—	16	—	16	15¾	16	50
British Empire Steel, com.	—	9	8	8½	8	8	40
Do., 1st pref.	7	68½	67½	67	67	67	72
Do., 2nd pref.	—	23¾	23	24	23	23½	510
Brompton Pulp	—	40	39¼	40½	39½	39½	530
Burt, F. N., com.	10	135	133	133	133	133	25
Do., pref.	7	132	—	132	132	132	2
Canada Bread, com.	—	56	54¼	54¼	54¼	54¼	25
Do., pref.	7	95	94½	95	95	95	31
Can. Car & Foundry, com.	—	30	28	28	28	28	185
Do., pref.	—	73	72	72½	72¼	72¼	60
Canada Cement, com.	6	83	82	82½	82¼	82¼	181
Do., pref.	7	—	102	102½	102½	102½	45
Canada Steamships, com.	—	17	16	16	16	16	42
Do., pref.	—	49¼	48¾	49⅛	48¾	49	174
Do., Voting Trust	—	15	—	15	15	15	100
Canadian Cottons, com.	8	122	120½	121	119	121	155
Do., pref.	6	—	92	93	92	92	34
Canadian Converters	7	96	—	96	95	96	255
Can. Foundries & Forgings, com.	—	28	—	30	30	30	10
Can. General Electric, com.	6	102½	102	102¾	101½	101½	434
Canadian Locomotive, com.	4	73	71	71	71	71	75
Do., pref.	7	98	96½	97	96½	97	53
Canadian Pacific Railway	10	158	156	158	154	155½	112
Carriage Factories, com.	—	3	—	2	2	2	25
City Dairy, com.	10	145	143	144	144	144	75
Consumers Gas.	10	159	158	158½	158	158	57
Detroit United Railway	6	75½	74¼	75	74¾	75	131
Dominion Bridge	4	73	—	73	73	73	135
Dominion Canners, com.	—	32	30	30	30	30	20
Do., pref.	7	—	87	87	87	87	10
Dominion Glass, com.	7	96⅞	96¾	97	97	97	150
Do., pref.	7	—	102¼	102½	102½	102½	10
Dominion Telegraph	6	45½	44½	44¾	44¾	44¾	32
Dominion Textile, com. (new)	4	71¼	71	72½	71	71	1786
Do., pref.	7	—	111	111	111	111	10
Dominion Coal, pref.	7	85	—	85	85	85	5
Dominion Iron, pref.	7	80½	—	80½	80½	80½	210
Dominion Steel Corp., pref.	6	77¼	77	77	76½	76½	83
Duluth Superior	—	39½	39¼	39¾	39	39¼	401
Ford Motor Car	15	450	440	448	448	448	10
Goodyear Tire, pref.	7	93½	93	93⅜	93	93⅜	40
Howard Smith Paper, com.	6	78½	77½	78½	77½	77½	87
Illinois Traction, com.	—	52½	—	50⅛	50⅛	50⅛	125
Do., pref.	6	91½	—	91	88½	89½	84
Kaministiquia Power	8	126	122½	125	123	125	125
Lake of Woods Milling, com.	12	175	172	174	173	174	20
Do., pref.	7	—	116	117	116½	117	35
Laurentide Paper	6	101	—	103½	98	100	27078
Lyall Construction	—	35	—	35	35	35	90
Macdonald, A., com.	—	6	—	6	6	6	10
Mackay, com.	7	113	112	113	112	112	204
Do., pref.	4	70	68½	69	68	68	21
Maple Leaf Milling, pref.	7	101	100½	101	100½	101	66
Montreal Cottons, pref.	7	—	108	108	108	108	20
Montreal Light, Heat, Cons.	6	123½	123	123¾	123	123	728
Montreal Trams	10	151	—	152	151	151	20
National Breweries, com.	4	50¾	50⅝	50¾	50	50¾	240
Do., pref.	7	95½	94⅞	95	95	95	35
Ontario Steel Products, com.	—	—	43	42¼	42¼	42¼	1
Do., pref.	7	—	85	83¾	83¾	83¾	4
Ottawa L., H. & Power	6	86	85	85½	84	85	115
Pacific Burt, pref.	7	107½	—	107½	107½	107½	38
Penmans, com.	6	156	153	154	153	154	115
Price Brothers	2	44½	44	45	43½	44½	175
Quebec Railway	—	24½	23¾	24¾	23⅞	23⅞	330
Riordon Pulp, com.	—	3½	2½	2½	2	2½	310
Do., pref.	—	5	—	5¾	5	5	30
Port Hope Sanitary, pref.	7	89	—	91	90	90	69
Shawinigan	7	119	—	119½	118⅞	119	370
Sherwin Williams, com.	6	109½	109	112	110	112	130
Do., pref.	7	102	101	101	101	101	20
Spanish River Pulp, com.	7	93	91	93¾	92	92	760
Do., pref.	7	104	102	103	101½	101½	930
Steel of Canada, com.	7	75	—	75¼	74	74	270
Do., pref.	7	102	101	101½	101	101½	40
St. Lawrence Flour, com.	6	67	66	67	65	65	60
Do., pref.	7	92	—	91	91	91	20
St. Maurice Paper	5	107	106½	108⅝	105½	107¾	1034
Toronto Railway	—	82½	81½	82½	81⅝	82½	93
Tuckett Tobacco, com.	4	58	54	57½	57	57	305
Do., pref.	7	96	—	95	95	95	50
Twin City, com.	—	68½	68	69	67¾	68½	479
Wayagamack Pulp	—	58	57½	58	57½	57½	70
Winnipeg Electric, com.	—	34¾	33½	34½	33⅞	34½	165
Do., pref.	7	86	85	85	85	85	46
Mexican Light, com.	—	—	32	33	29	33	85
Can. Landed	10	81	—	81	81	81	6
Can. Permanent	12	—	186½	187	187	187	21
Toronto Gen. Trusts	12	—	202	205	205	205	8

WE OWN AND OFFER

$750,000

KEEFER REALTY CORPORATION

(KEEFER BUILDING, MONTREAL)

6½% First (Closed) Mortgage Sinking Fund Gold Bonds

Dated 1st June, 1923. *Maturing 1st June, 1943.*

Principal and semi-annual interest (1st December and 1st June) payable in Gold at the Royal Bank of Canada, Montreal, Que., Toronto, Ont., or at the agency of the bank in New York City at the holder's option.

Bonds may be redeemed, at the option of the Corporation, as a whole on any interest payment date on 30 days' notice on or after 1st June, 1933, and in part for Sinking Fund purposes only, on or after 1st June, 1927, at 105 and accrued interest.

Coupon bonds of $1,000 and $500 denomination, with privilege of registration as to principal.

TRUSTEE AND REGISTRAR

Montreal Trust Co., Montreal, Quebec

LEGAL OPINION

E. G. Long, K.C., for W. A. Mackenzie & Company, Limited.
Brown, Montgomery & McMichael for Keefer Realty Corporation.

CAPITALIZATION

	Authorized	Issued
Capital Stock (par value $100)	$1,000,000	$500,000
First (closed) Mortgage Bonds	750,000	750,000
Second Mortgage	50,000	50,000

PROPERTY: The Keefer Realty Corporation will acquire the property known as Cadastral lot number 1580 in the City of Montreal, Que. This property has a frontage of 123 ft. on St. Catherine Street by 111 ft. on Mackay Street, and contains approximately 13,653 square feet, on which the Corporation will proceed immediately to erect a modern ten storey and office building to be completed not later than March 1st, 1924.

SECURITY: These bonds will be secured by a first closed mortgage, hypothec and charge on the land, building, equipment and assets of the Keefer Realty Corporation, the value of which is conservatively estimated at $1,250,000.

SINKING FUND: The Trust Deed provides that a Sinking Fund of $15,000 shall be provided during the years 1926 to 1932 inclusive, and $22,500 during the years 1933 to 1942 inclusive, bonds redeemed by Sinking Fund are to be cancelled and the Sinking Fund is to be further increased each year by the interest on all bonds so cancelled.

ADDITIONAL SECURITY: In addition to the Sinking Fund already provided the Trust Deed further requires that the Corporation must accumulate and maintain out of income a reserve fund of $50,000, that no dividends may be paid on the capital stock of the Corporation until this reserve has been accumulated and it cannot be impaired through payment of dividends. This fund to be maintained in cash or invested in Trustee securities.

EARNINGS: Annual net earnings available for interest charges on this issue of bonds, allowing 10% for vacancies, as estimated will be almost 2½ times the amount required annually.

Delivery may be made in the form of interim certificates pending preparation of definitive bonds.

Price: 100.00 flat to July 1st, 1923, Yielding Over 6.50%

Orders or reservations may be telephoned or telegraphed at our expense.

W. A. MACKENZIE & CO., LIMITED

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GOVERNMENT, MUNICIPAL, AND RAILWAY BONDS
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UNLISTED STOCKS

Will Buy
100 Loew's London Com.
50 Loew's London Pref.
25 Loew's Buffalo Pref.
100 Imperial Steel Corp. Common at $5.50
200 K. & S. Common
75 Durant Motors
25 Tor. Pantages Com.
50 Eastern Theatre Pref.
25 Loew's Windsor Pref.
100 English Electric, with 40% bonus

Will Sell
75 Loew's London Com.
25 Loew's London Pref.
100 Loew's Buffalo Com.
25 Loew's Buffalo Pref.
300 K. & S. Com.
3,000 K. & S. 7% Bonds.
50 Durant Motors
72 Ham. Theatres Com.
10,000 Can. Assoc. Goldfields
50 Imperial Steel Corp. at $5.75.
3,000 Imperial Steel Corp. 8% Bonds

Continental Bond Corporation, Limited
302 BAY STREET, TORONTO
Adel. 3176-7

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Sail from Montreal or Quebec—historic and romantic cities in Old French Canada. For two days down the picturesque St. Lawrence, then only four days on the open sea.

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H. B. Beaumont, General Agent Pass. Dept., 1 King St. East, TORONTO.

NEED OF POWER AT PORCUPINE SHOWN BY VIPOND FIASCO

Market Broke When Directors Decided to Halt Operations.

LATER CHANGED MIND

Will Keep Going Because of Important Developments—Want Data to Aid in Remodelling Mill.

The seriousness of the power situation among the mines of Porcupine is evidenced by the fact that the Northern Canada Power Company has had to cut off the supply of the Vipond Mine so as to give all the available power to the big producers. The Vipond will proceed by the use of steam for a short time.

Some criticism of the Vipond directors is heard because of the fiasco which followed the receipt of the notice from the power company. It was announced on Thursday that the mine would close when the power failed. The result was a break of more than ten points in the market price of the Vipond shares.

The next day the directors reversed their decision, deciding to keep the mine open. In the interval there had been a rush of shareholders to dispose of their holdings. Their losses will total thousands.

It is evident that after the directors made their first announcement the manager communicated certain facts about the development on the 1,000-ft. level which led to an immediate decision to operate temporarily by steam. The second announcement led to the conclusion that the first was hasty and ill-advised, whereas the second announcement should not have been made after the first was broadcasted and certainly not in the way it was. It gives the impression that operations will continue indefinitely, whereas they will only continue until the desired information is secured from the 1,000-ft. level, unless power is forthcoming in the meantime. This latter fact is not to be discounted entirely either. The information sought on the 1,000-ft. level is to a[illegible] in deciding on the alterations to the mill.

It is not hard to get the viewpoint of the Vipond shareholders. Many have waited for years for the property to come along. Time and again they have been seriously disappointed. Just now the property has a prospect as bright as any nonproducer of the north. High-grade ore bodies have been opened on the 300 and 400 levels. Values run high. The shareholders at last faced action. Then the directors' announcement fell like a bolt from the blue.

Stock Held in North

Perhaps the greatest disappointment and the heaviest losses were among the mining people of the north. Vipond has been a popular stock among the miners, because of some of those connected with its leadership. Besides episodes of the nature of those of last week tend to give mining speculating a black eye. Thousands of dollars were lost to actual shareholders. The quick recovery of the issue should save the marginal accounts.

One fact emphasized by the Vipond situation is that more power is urgently needed in the camp. The advent of the Great Northern is looked upon as a blessing, for Davidson, Night Hawk Peninsula, and other near producers who would be in a serious situation, were it not for the new company. The Northern Canada has a new development nearly ready also.

The day is approaching when Porcupine will have lots of power. Hollinger having switched to Portage Place on the Abitibi instead of Long Sault, will proceed with its own development immediately. The Northern Canada has a new power that should be added this month. The Great Northern should get the juice turned on this month while at the same time work on harnessing the des Quinze in Quebec and the erection of a power line from that falls to Porcupine have been undertaken simultaneously.

In the meantime the three producers, Hollinger, Dome and McIntyre have first call on the present power supply and they are now using 15,000 h.p. Hollinger, 9,000; Dome, 3,500, and McIntyre, 2,500. The company operating in the camp could easily dispose of 25,000 h.p., whereas this time last year the demand was only around 16,000 h.p.

Beaver and Kirkland Lake Had Poor Years

Beaver's operations for the past year show a small revenue of $37,724, which after all charges are met left a profit of $24,892. On the other hand, its subsidiary, Kirkland Lake Gold, in which Beaver owns the major portion of the stock, showed a net loss of $5,499, which makes the profit and loss adverse balance $100,403.

Beaver had a balance forward of $944,494, and the year's profits make the total balance of $969,386. Depreciation and other charges bring that total to $948,123.

Coniagas is now operating Beaver's Cobalt property with considerable success. The mill is now being overhauled. It should be ready for operation this month. A large tonnage of ore will be ready for handling. It is estimated that to date they have broken approximately 5,000 tons of ore in addition to the ore already broken in the mine when they took over the operation. The mine is dewatered to the 800 foot level, and drills are working on the 250, 300, 350, 400 and 460 foot levels. It is the intention to continue dewatering and to carry on an extensive exploration campaign at the lower levels. A crosscut will be driven from the lower underground workings of the Beaver to the Prince Davis and Badger properties, in which the above circular letter defines the interest of your company. Up to April 30th inclusive their gross expenditure amounted to $51,482.45.

During the year Kirkland Lake Gold treated 37,489 tons of ore, the recovery being $224,396, or $6 per ton. Operations for the first four months of 1923 show an improvement, giving a surplus of $8,423, but the interest on the money borrowed in that period amounted to $12,899.

EXPLOSIVES MEASURE WOULD INJURE MINES

Hardware Men Would Find It Difficult to Maintain Powder House and Magazine

A measure is now before the Senate of Canada which would seriously interfere with mining and hardware business in the Dominion. Senator Boyer Rigaud, Que., would bar all explosives from being stored within miles of any settlement. His amendment to the Explosives Act reads:

"(3) Notwithstanding any other provision contained in this Act, no regulation made by the Governor in Council under this Act shall authorize the issue of, and the Minister shall not issue, any license for the establishment, location or maintenance of a factory or magazine within two miles of any other building, structure, or premises, except licenses for continuing the maintenance of such factories or magazines as have been established, located and maintained under licenses issued before the date of the coming into force of this subsection."

This would mean that power magazines would have to be located in the centre of an area about 16 miles square. No other humans or structure could enter the area. Powder houses would have to be two miles from a mine.

A hardware merchant selling explosives would find it almost impossible to comply with the regulations as it would be very difficult for him to find within reach the requisite area of sixteen square miles in the centre of which to set this magazine. The proposed Act is ridiculous, in the opinion of the Canadian Mining Journal, which adds that the senator's bill is a mischievous and meddlesome piece of proposed legislation.

The senator lives at Rigaud, Que. not far from the factories of Northern Explosives, Limited. This may account for his stand on the matter.

DREDGES SOON TO ENTER THE CARIBOO

Effort Will be Made to Extend Life of Famous Camp Indefinitely.

From Our Own Correspondent.

VICTORIA.—Dredges will soon be in operation in the gold creeks of the Cariboo district, according to authentic reports in British Columbia mining circles. That means that the life of the famous Cariboo gold field, which reached its peak of production more than sixty years ago, will be extended indefinitely.

Ever since the termination of war brought about a comparative settlement in business conditions and released capital for peaceful enterprise, there has been talk of dredging the Fraser River and other arteries of the central British Columbia gold plateau. Due to various causes, however, this long-deferred development has been repeatedly postponed from season to season. It is now understood, however, that actual construction of dredges will be commenced this year and that next summer they will be operating. As a matter of fact, dredges will not be entirely new to the Cariboo country, as dredging was attempted some years ago, although on a basis that left little prospect of success.

Wherever dredging has followed other forms of placer mining, the result has invariably been an important increase in production. It is estimated that dredging has produced at least 20 per cent. of the total output of the Yukon, and in Alaska dredging has become the main method of gold production. The gold dredge has been tried with success and is still being operated in Montana, Colorado, Idaho, the Philippine Islands, Mexico, Australia, New Zealand, Siberia, Colombia, British and French Guiana, Brazil, the Argentine, West Africa and Ecuador.

That the Cariboo and other sections of the province contain several payable dredging deposits has been conclusively proven by drilling. It is probable that worth-while dredging areas occur on the Fraser, Thompson, Upper Columbia, Tulameen, Similkameen, Peace, Liard, Stikine, Bridge and other rivers, as well as in the rivers and valleys usually associated with Cariboo mining. Dredges handle gravel to a depth of seventy feet, and at a maximum cost of 7½ cents per yard, so that any value above that is profit. There are many areas in central British Columbia which reveal values running as high as 40 to 70 cents to the cubic yard, so that there should be a large margin of profit in the operations.

With the softening up of the ground and the disappearance of snow, gold mining operations are getting under way throughout the province, and it is probable that this season an opportunity will be given of thoroughly testing the Cedar Creek area. Values in that zone have averaged around $4 a square foot, which is twice the average gold value of the Yukon fields. At certain spots in Cedar Creek ground has been found yielding $150 worth of gold per square foot. The area of payable ground, however, is still unknown.

COPPER BOUNTY TO INCREASE OUTPUT OF MINES IN B.C.

Consolidated Plant at Trail Should Soon Start Operating.

From Our Own Correspondent.

VICTORIA.—The bounty proposed for copper produced in Canada, given in the budget as 1½ cents a pound on copper in bars and rods manufactured in Canada from Canadian ores is a welcome response to the agitation led by Eastern British Columbia business interests, which have maintained that the competition from foreign material makes it essential to place a premium on Canadian copper production.

As an illustration of the need for some incentive, such as a bounty on output, the $200,000 copper plant of the Consolidated Mining & Smelting Company at Trail was completed a year ago, but not a wheel has turned. According to officials of the company, the bounty proposed by the Government will be sufficient to make operation worth while.

The placing of oxide of antimony the newest product of the Trail smelter, on the same basis as lead and zinc may lead to the smelter producing this metal as white antimony instead of placing it in metal as at present.

Investment capital, so far as British Columbia mining property is concerned, has not been hard to secure. Money, which in former years found its way from London, New York and other centres to Russian, Asiatic and other distant enterprises is now being invested in mines on the Pacific slope, and British Columbia is apparently obtaining her full share of this money.

"The people with funds are looking West," stated Hon. William Sloan, Minister of Mines for British Columbia, in addressing the Northwest Mining Association in Spokane, Wash., a few days ago. "We have the resources requiring development. They have the means to assist in that vitally important work. What we have to be is reliable sales agents, displaying our wares without misrepresentation and securing for their exploitation what their worth seems to merit. If we adopt this as a principle in the prosperous days I see ahead, there is no doubt that the Northwest will be opened up in the next decade on a scale unprecedented in any previous similar period."

Underlying the whole situation is the fact that the price of copper has maintained a high level—high enough to make production on as extensive a scale as possible desirable from the standpoint of the individual concerns. So far, there has been no apparent over-production, as feared early in the season by some operators.

Building Power Line and Find Free Gold

In two or three places where rock excavations were made for the trestles for the power line of the Great Northern Co. across the Matachewan camp and north to Porcupine, free gold was encountered. The workers on blasting into the rock brought up ore well mineralized.

This recalls another instance of this nature in the north. The Northern Ontario Light and Power Co. was making an excavation in the south-east Coleman part of the Cobalt camp on a small piece of property that had been leased from the Lumsden silver mine. When the excavations for the foundations were being made the workers found on placing a shot that they were right on a high-grade silver vein. It is said that the matter was kept quiet as the company did not want to be bothered seeking a new site. It was some considerable time after that one of the workers let the cat out of the bag. An interesting report, which Balmer Neilly, now secretary of the Ontario Mining Association, made a few years ago for C. L. Campbell, president of the Camburn Silver Mines on the Lumsden, related the interesting details of the find and how it came about.

Sale of Crown Reserve Shares is Approved

From Our Own Correspondent.

MONTREAL.—Arrangements of the directors of Crown Reserve Mining Company to sell an additional block of stock to present shareholders were confirmed at this week's special meeting. Authority was given by the shareholders to the sale of 2,000,000 shares at 5 cents a share. The price is merely nominal and the offering of 500,000 shares to be made to shareholders of record of June 2 will be at 60 cents a share.

The president, Col. William I. Gear, stated that ore at the 300 foot level was running $7.10 a ton and at the 500 foot level a little under $4.

Dominion Express Off the Government Lines

From Our Own Correspondent.

MONTREAL.—The Dominion Express Company has withdrawn from the government railway lines at the request of Ottawa. Shippers have been notified that the Dominion Express Company will no longer be able to accept shipments to points only on the Canadian National lines, if at the point of shipment there is a Canadian National Express office.

This leaves a large territory in Prince Edward Island, Nova Scotia, New Brunswick and part of Quebec without competition in express shipments, the business being exclusively under the jurisdiction of the Canadian National Express since June 1.

The Fact Remains

Space will not permit enumeration of the various points in which the Great-West Life excels, but the preference shown by the public for this company, and the amount of new business issued clearly demonstrate its standing. If you would like to know more about this great Canadian company, write to

The Great-West Life Assurance Company
Dept. "G" Head Office Winnipeg.

Canada Permanent Mortgage Corporation
QUARTERLY DIVIDEND
Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
TUESDAY, THE THIRD DAY OF JULY
next, to shareholders of record at the close of business on the fifteenth day of June.
By order of the Board.
WALTER F. WATKINS, Secretary.
Toronto, May 23rd, 1923.

5½% Interest Return
INVEST YOUR SAVINGS
in a 5½ DEBENTURE of The Great West Permanent Loan Company
SECURITY
Paid-up Capital $2,414,663.00
Reserves 1,100,000.00
Assets 6,184,420.00
HEAD OFFICE, WINNIPEG
Branches: Toronto Regina Calgary Edmonton Vancouver Victoria Edinburgh, Scotland

Dominion Textile Company LIMITED
Manufacturers of
COTTON FABRIC
MONTREAL TORONTO WINNIPEG

The Wabasso Cotton Company, Limited
THREE RIVERS, P. Q.
Manufacturers of Fine White Cotton, also Spinners' Fine Counts of Yarns

FALSE ECONOMY versus TRUE ECONOMY

The cost of your business stationery could be maintained at a low level by a selection of a cheap grade of paper stock, but on all sides there is abundant proof that the best is always the cheapest in the long run.

So with SUPERFINE LINEN RECORD—because the mere fraction of a cent—per letter—that it entails above the price of ordinary stationery, will ensure the finest quality obtainable, commanding attention and respect everywhere.

SUPERFINE LINEN RECORD is an all-rag, tub-sized, loft-dried paper of extremely fine texture and color—a paper that of itself bespeaks dignity, stability and character for the communication which it conveys.

SUPERFINE LINEN RECORD
Mills at St. Jerome, P.Q., and Mont Rolland, P.Q.

Awarded Gold Medal, Antwerp, 1885; Gold Medal, Chicago, 1893, and Le Grand Prix, Paris, 1900.

The ROLLAND Paper Company LIMITED - MONTREAL
High grade paper makers since 1882.

DOME MINES IN PAST YEAR NEAR DOUBLED PROFITS

Net Working Capital Now Totals Three and Half Million.

POWER A PROBLEM

Retarded Progress During Past Year and Added to Costs—Premier Optimistic re Iron Mining.

Dome Mines' profit during the year ending March 31 last were about double those of the previous year, the figures being: 1921-22, $1,244,922; 1922-23, $2,462,856. This is $5.16 for every $9 share which the company has outstanding.

Current assets now stand at $3,704,661. This sum includes the $1,026,839 which is termed dividend assurance account. Current liabilities stand at $652,691, leaving a working capital of $3,501,970, which just falls short of doubling the last year's total of $1,758,165.

Dome's gross recoveries during the year reached $4,278,935 as compared with $2,809,452 the previous year. Profits totalled $2,426,856 as compared with $1,244,922. Surplus forward was $1,126,694.

Mill leads for the year ran $11.79; the total tonnage of 363,000 giving a return of $4,278,935. This tonnage shows an increase of 3,000 over the previous year, yet the yield was $1,469,483 or an increase of 52.3%. The power shortage not only reduced the possible tonnage but as steam was used for quite a time it ate into the profits, sending the tonnage costs up slightly.

During the year a great deal of development work was carried on, the footage being 19,391 as against 12,263. Broken ore totals 500,000 tons as against 275,000 a year ago. Stoping operations, according to the general manager, Mr. H. DePencier, disclosed important additions to the company's ore reserves and the grade of certain stopes, especially on the 7th, 8th, 9th and 11th levels, has exceeded expectations.

The large amount of development work done, while not so extensive as it would have been if not hampered by shortage of power, has resulted in opening up of a large amount of ore of good grade. While these ore bodies present the irregularity both as regards outline and distribution of gold, characteristic of the Dome, it is believed that no depletion of ore reserves has taken place in the year under review. Given an adequate supply of power and labor, we anticipate similar prosperity for the coming year.

A higher percentage of extraction as well as lower milling cost is the report on the mill work, the percentage of extraction being 97.27 as against 95.13.

The balance sheet shows assets of $9,316,751 as against $8,040,216.

In his report, President Bache points out that shareholders were advised that the directors believe that prior to the date for the payment of the next July dividend necessary arrangements would be completed whereby the capitalization of the company would consist of shares of no par value, with the intention of splitting up the present shares. The necessary legislation, he states, has been introduced in the House of Commons, and the bill has passed its second reading. He believes the bill will be finally passed before July next.

The Matachewan Gold Camp, on the Montreal River, seems destined to experience quite a boom during the coming summer. Many prospectors are working in the camp. Besides a couple of the big companies have engineers looking over several of the camp's prospects. The Matachewan Canadian is the leading operation in the camp. It has machinery on the ground and as soon as power is available will immediately start work underground. The proposition already has a very substantial body of ore blocked out. Scant attention has been given to the Matachewan Camp in the past because of its position and the fact that no power was available. Some of the most promising prospects in the whole of Northern Ontario are located in the camp. Great wide mineralized dykes of great length are the features of this camp, and on many properties have given high commercial values.

The committee of experts, now compiling its report on the iron ore deposits of Northern Ontario, is very hopeful that a plan will be evolved whereby low-grade iron ores, of which there is an unlimited quantity in the Port Arthur-Fort William district, according to Premier E. C. Drury, may be worked so as to show a profit.

The premier is already in possession of parts of the report. He made the prophecy that within a few years there would be located in the Lake Superior district one of the largest iron industries on the continent.

INDIA'S WHEAT CROP

Estimated Yield Reduced Since Middle of April

From Our Own Correspondent.

OTTAWA.—A cablegram received by the Dominion Bureau of Statistics from the Indian Director of Statistics at Calcutta reports that the revised estimate of the production of wheat in India for the season 1922-23 is 401,856,000 bushels from 30,492,000 acres, as compared with 366,352,000 bushels from 28,234,000 acres in 1921-22, and with 344,587,000 bushels from 30,322,000 acres, the annual average for the five-year period 1916-20. The first forecast issued on April 19 last gave a yield of 425,563,000 bushels from 30,550,000 acres.

SILVER OUTLOOK

Final Orders Under Pittman Act Placed in United States

While it seems agreed that the final orders for dollar silver under the Pittman Act have been placed by the United States Government, there is a wide difference of opinion as to when the final deliveries will be made. Opinions also differ as to the trend of the silver markets of the world when the final Pittman Act deliveries are made and the silver production of the U. S. is once again thrown on the world market subject to the prevailing price. Most dealers in silver take the stand that there is nothing to worry about. Others say there will be some unsettlement for a time but that matters will soon adjust themselves. The fact that many of the leading U. S. copper stocks have shown signs of weakness of late is due to the silver situation. Most of these companies are fairly heavy silver producers.

B. C. ELECTRIC TO INCREASE POWER

Ten Millions to be Spent on Additions to Development Plans.

From Our Own Correspondent.

VICTORIA.—The British Columbia Electric Railway Company, which supplies light and power and operates street car systems in Vancouver, Victoria and New Westminster and also runs several interurban lines, is going ahead with a $10,000,000 construction program to increase the power capacity of its mainland plants.

The total turbine capacity of the company's plants will be raised from 153,000 to 268,000 horsepower. Actual assembling and erection of the new power units will be commenced as soon as the provincial government gives its formal sanction to the company's plans. It is expected that the proposed addition to the plant will be sufficient to meet the requirements for the province during the next fifteen years. As soon as the government's authority is given the project, the company will build a dam at the mouth of the Alouette Lake, drive a tunnel 3,900 feet long between it and Stave Lake and develop 10,000 horsepower at the mouth of the tunnel, taking advantage of the difference in the elevation of the two lakes. The largest plant will be built near Ruskin and will have a capacity of about 80,000 horsepower.

The present plant with four units in operation has a capacity of 52,000 horsepower. When the proposed development work is carried out, the total capacity of all the Alouette-Stave Lake system will be 167,000 horsepower. In addition, the company has two plants at Lake Buntzen and a "stand-by" steam plant in Vancouver with a total capacity of 101,000 horsepower, so that the grand total of available power in a few years will be 286,000 horsepower. The company also operates two power plants on Vancouver Island to meet the needs of Victoria and the surrounding municipalities.

CANADA AS A FIELD FOR BRITISH MONEY

Capital Should Precede Emigration and Canada Should Take Down the Bars.

The argument that emigration is the most serious problem to-day before Great Britain and the Dominions and that financial investment must precede emigration, is being advanced in England by the Canadian British Corporation, Ltd. This corporation. the organization of which was referred to some months ago in THE FINANCIAL POST, has for its object the linking up of British capital with Canadian enterprise. Major A. B. Watts, the managing director, argues that, with an annual increase in population of from 450,000 to 475,000, Great Britain has a serious problem in unemployment which must be solved by emigration. Further, he points out, that it should be understood that the Dominions are going to develop and protect their industries and manufacturers and will ultimately become powerful competitors in the world's trade due to cheap power and supplies of raw material. Therefore, British manufacturers will have to establish branch or subsidiary factories or lose many of their export markets. He instances also how 500 new American factories were established in Canada between 1919 and 1922 and declares that if the supply of money continues to flow into Canada, United States will shortly control 75 per cent. of Canadian natural resources and industries.

On the other hand Major Watts argues that Canada makes a mistake in restricting emigration to the agricultural class. On this point he says:

It would appear that the policy of the colonies in restricting immigration to agricultural labor is a mistaken one, because if we assume that the population of, say, Canada will increase by 1,000,000 in the next five years, owing to the relatively lower standard of living on the land probably less than 25 per cent. will be farm workers. This standard can only be raised by the creation of a great home demand for the products of the farm, and that can be done most readily and cheaply by a wide immigration policy, which will be brought about by the financial investment of British money in the development of natural resources and raw materials, and in the construction and operation of new industries and will provide work for the other 75 per cent. immediately.

As a result of a meeting of representatives of the fishing industry from Lunenburg, Shelburne, Yarmouth, Digby and Annapolis counties, the Nova Scotia Fisheries Association came into being. The aim of the Association is to enlarge and improve the markets for Canadian fish.

NEW BRUNSWICK PASSES BLUE SKY LAW IN A HURRY

Collapse of Steel Projects Quickly Followed by Legislation.

From Our Own Correspondent.

ST. JOHN.—The New Brunswick blue sky law went into effect on June first. The office of the Board of of Public Utilities Commissioners, in St. John, was thronged with brokers for several days, seeking the necessary certificates, under the law. Although the certificates are issued to companies and brokers, entitling the companies and brokers to do business in the province, it is distinctly stated that the board makes no recommendations, and will not guarantee the securities offered for sale are all they should be.

After the application by a company for the certificate is granted, the sum of $2.50 must be paid to the board as a yearly fee. The certificate holds good for one year and may be renewed, by company or agent, for not longer than one year. Information requested by the board consists of a statement showing in detail the plan on which the company intends to do business, copies of all bonds which the company proposes to make and sell, statements regarding the name and location of the company, an itemized account of the financial status including the liabilities and assets. If the company is one that has been organized under other provincial or state laws than New Brunswick, the laws of the province or state or country under which organization was made must be filed with the other information asked. After receiving a certificate a company may appoint an agent but this agent must first receive a license from the board. The board is empowered at any time to cancel a certificate and agent's license at any time if it is shown that the assets of the company are not equal to the liabilities, or it is proven that a company or agent or both are conducting business in an unsafe way. The attorney general of the province will be notified and he will appoint a receiver. Weekly lists must be filed with the board by the agents, (brokers), these lists containing the names of the bonds they are selling. The penalty for infractions against the blue sky law includes a fine of $500 as the maximum, with a maximum alternative of six months in jail.

The New Brunswick blue sky law is the consequence of the failure of the L. R. Steel Service Corporation which had offices in New Brunswick and where thousands of people, mostly in the farming communities, were victimized.

The objective is not only to keep out of the province promoters of unsafe stocks in the future, but to eliminate several stocks now on the market in New Brunswick, which are said to be somewhat on the unsafe side. The solicitors of the Steel concern, mopped up in great style in New Brunswick by means of flamboyant advertising and lavish promises.

One feature of the blue sky law that may prove unattractive in New Brunswick is that too much power is vested in the Board of Public Utilities Commissioners. The members of the board are the court of last resort. It would be within the range of possibility for a safe stock to be barred out on a pretext, flimsy or otherwise.

A special meeting of the stockholders of the Underwood Typewriter Company has been called for the purpose of voting upon the question of increasing the company's authorized capitalization from $14,000,000 to $15,000,000 and to authorize the exchange of the new shares, of $25 par value, at the rate of four for one, for the present common shares of $100 par.

MUST EDUCATE THE DOMINION AWAY FROM ANTHRACITE

One of Important Steps Necessary in Solving Canada's Fuel Supply

Canadians must not forget the relentless approach of the time when the anthracite fields of the United States are nearing exhaustion, when prices will rise to extraordinary heights and public opinion in the U. S. will prevent further export. They must prepare to grapple with the problem that must soon be faced. This is the advice of the Dominion Fuel Board in an interim report just made. This board is one of experts, headed by Dr. Charles Camsell, deputy federal minister of mines. The big point that seems to be made in the report is that Canadians, especially those in Central Canada, are living in a sense of false security, inasmuch as their coal supply may end at any time. Thus the main problem to tackle is educating the public away from anthracite. They claim that this can be done and point to Manitoba as an example where Alberta coals have ultimately driven anthracite off the market. The war first compelled the Manitoba people to use the Alberta coal and they adopted it with great protests and only after their anthracite supply had been cut in half.

The use of substitutes in the spring and fall is urged in the report. After pointing out that there is a grave danger of any centre being dependent on any one source as is, what the report terms the acute fuel area, Central Canada. It proceeds to point out that the domestic heating problem is the serious one to grapple with.

On the question of Western and Maritime supplies, little information is given on the class of these fuels, it being stated that the board is making arrangements for a thorough survey of the available coal of both East and West that may be available for the Central Canada market.

In the meantime, the report proceeds with a fairly full discussion on substitutes and sees in coke the most promising, inasmuch as imported bituminous coal, while not suitable for hot air heating, could be coked. Peat and Welsh coals are also favored, the report passing up the suggestion that electricity be used, with the statement that except in an auxiliary capacity, electric house heating is impracticable on a large scale.

What is described as Canada's coal balance sheet is given in millions of short tons in the report as follows: :

Imports	1918	1919	1920	1921	1922
Production ..	14.9	13.7	16.9	15.0	15.0
Exports	1.8	2.1	2.5	1.9	1.8
Bituminous .	16.9	13.4	15.9	13.5	11.6
Anthracite ..	4.8	4.9	4.9	4.6	2.7
Consumption .	34.8	28.9	35.2	31.2	27.5

Dominion and American Radiator Companies Merge

Dominion Radiator and Boiler Company, Ltd., is the name of the newly-formed company organized to take over the Dominion Radiator Co., Ltd., Toronto, and the American Radiator Company of Canada, Ltd., with factory in Brantford, Ont.

The new company's head office will be in Toronto. The entire assets and liabilities of the two former companies have been taken over by the new concern. Manufacturing plants are being operated at Toronto and Brantford.

H. N. Leadbetter, formerly of the American Radiator Co., is president of the new company, and is the only Canadian director in the combined organization. The directors of the former Dominion Radiator Co., while retaining stock interest, are retiring as active directors, the directors of the American Radiator Company directing the new concern.

We offer the unsold balance of new issue of

$8,000,000

Belgo Canadian Paper Company

Limited

First Mortgage Twenty-Year 6% Sinking Fund Gold Bonds

To be dated July 1st, 1923 To Mature July 1st, 1943

Authorized, $10,000,000. To be presently issued, $8,000,000. Principal and interest payable at the holder's option in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in Canadian gold coin at any Branch of The Royal Bank of Canada, in Canada, or in Sterling at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2-3 to the £1 Sterling. Interest payable January 1st and July 1st. Coupon Bonds in denominations of $1,000 and $500 registerable as to principal only, or fully registered Bonds in denominations of $1,000, or any multiples thereof. Coupon Bonds and fully registered Bonds of $1,000 denominations interchangeable. Redeemable as a whole or in part at the Company's option on any interest date on thirty days' notice, at 105 and accrued interest, less ¼ of 1% for each year, or part of a year, of the expired term of the Bonds, but in no case at less than 102 and accrued interest. Montreal Trust Company—Trustee. Annual Cumulative Sinking Fund commencing July 1st, 1924, is to be 2% for the first five years and 3% thereafter

THE COMPANY

Belgo Canadian Paper Company, Limited, is being incorporated under the laws of the Province of Quebec to acquire the properties and business of The Belgo Paper Company, Limited, which is one of the largest and lowest-cost producers of newsprint paper in Canada, owning and operating at Shawinigan Falls, P.Q., a modern newsprint paper mill with a capacity of over 90,000 tons of newsprint per annum, now being increased to 115,000 tons per annum. The business has been in successful operation during the past twenty years.

ASSETS SECURING BONDS

Bonds are to be secured by specific first mortgage and charge on all the Company's real and immovable properties, including plants, buildings, timber limits and leases now owned and hereafter acquired, and by a floating charge on all other assets, present and future.

The physical assets to be pledged under the mortgage, including extensions now being made, have recently been appraised at $18,750,464. Net current assets as at April 30th, 1923, after deducting current accounts of $1,002,100 (no bank loans) were $2,306,265. Total assets securing the Bonds are over 2½ times the present issue.

EARNINGS

Net earnings, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, after maintenance and repairs, available for bond interest, depreciation and income taxes, have been as follows:—

Period	Output (Rate per annum)	Net Earnings (Rate per annum)	Equal to interest on present issue earned
Four fiscal years ended Aug. 31st, 1922.............	65,303 tons	$1,742,570	over 3½ times
Eight months of current fiscal year (September 1922 to April, 1923, inclusive).................	65,303 to 90,000 tons	$1,989,054	over 4 times

The additional equipment increasing capacity to 90,000 tons per annum began operation on March 1st; net earnings for the first two months following such increase aggregated $450,671, equivalent to 5½ times two months' interest requirements on these Bonds.

Commencing November 1st next, the completion of another newsprint unit now being installed will increase the production to 115,000 tons of newsprint annually. This increased capacity should result in a further substantial increase in earnings.

PROPERTIES

The plant at Shawinigan Falls, P.Q., is one of the most efficiently equipped newsprint mills on the continent. The mill is a complete and self-contained unit, including groundwood and sulphite pulp and newsprint mills, with the necessary auxiliary equipment. The location of the mills at Shawinigan Falls is most advantageous with relation to supplies of raw materials and markets for finished products.

The Company will own 15,000 acres of freehold timber lands and control under lease from the Province of Quebec 1800 square miles leasehold timber limits on the St. Maurice River and tributaries, estimated to contain 6,000,000 cords pulpwood, sufficient for forty years' operations at the increased capacity.

The management of the Company will remain in the hands of those responsible for the attainment of its present outstanding position. The President, Mr. Hubert Biermans, has been the active head of the business since its inception.

The larger part of this issue having been placed in the United States and Canada, we offer the balance if, as and when issued and received by us, and subject to legality, at:

Price 99 and Interest, Yielding nearly 6.10%

Wood, Gundy & Company Toronto

Newman, Sweezey & Co., Montreal Limited

The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

The next issue of

Gibson's Fortnightly Mining Review

which will be ready for mailing on Thursday, will contain information concerning

The Mines AND The Markets

which will be of interest to every holder of Northern Ontario Mining Shares.

If your name is not already on our mailing list, write for your free copy to-day.

HOMER L. GIBSON AND COMPANY
Bank of Hamilton Bldg.
TORONTO

BARRISTER & SOLICITOR

anxious to discontinue general practice with uncertain future in favor of position with institution where industry and loyalty will be rewarded and where there is a future. Knowledge of French; good correspondent. Age 30. Box 84, Financial Post.

TWIN CITY

We recommend for purchase Twin City common stock at current market prices.

MONTREAL STOCK EXCHANGE MEMBERS

We shall be glad to execute orders for Twin City stock.

Write for Bulletin No. 43.

Dickinson & Walbank
Members Montreal Stock Exchange
Main 4090-4093
T. Kelly Dickinson, J. Y. K. Walbank, W. McLea Walbank.

BANKER TESTS POTATOES

J. W. Doran, manager of the Royal Bank at Taber, Alta., has obtained a stock of registered seed potatoes from the C. P. R. farms which will be distributed among four school districts which recently joined the School Fair Association. It is claimed for this particular kind of potato that when used on C. P. R. diners it showed less waste than was the case with other varieties used.

Weekly Bank Clearings

(In Comparison With Same Week Last Year)

EASTERN CITIES

	May 31, 1923	Change	%
Toronto	$107,780,486—	$2,067,038	1.8
Montreal	97,563,011—	3,831,344	3.7
Ottawa	6,075,075—	873,365	12.5
Hamilton	6,019,136+	547,814	10.0
Quebec	5,779,954+	1,030,669	21.7
Halifax	3,925,174+	758,667	23.9
London	3,169,956—	187,044	5.5
St. John	2,752,856—	326,329	10.6
Kitchener	1,086,518+	109,321	11.2
Moncton	1,026,887—	445,524	30.2
Brantford	986,680—	11,848	1.2
Sherbrooke	989,488—	73,563	6.9
Peterboro	800,811+	26,600	3.4
Kingston	615,922+	21,177	3.5
Total East	$238,571,954—	$5,321,807	2.1

WESTERN CITIES

	May 31, 1923	Change	%
Winnipeg	$50,104,599+	$3,712,601	8.0
Vancouver	14,485,031+	1,969,125	15.7
Edmonton	7,998,129+	2,637,741	49.2
Calgary	4,144,988—	762,156	15.6
Regina	3,100,762+	195,427	6.7
Victoria	1,933,953—	376,374	16.3
Saskatoon	1,291,697—	263,217	16.8
Fort William	964,353+	308,345	47.0
Moose Jaw	851,024—	181,542	17.6
N. Westminster	654,337+	20,733	3.2
Brandon	501,086—	47,732	8.7
Lethbridge	351,066—	118,434	23.1
Prince Albert	312,903—	9,905	3.0
Medicine Hat	264,392—	19,257	6.8
Total West	$86,928,320	$7,065,355	8.8
Grand total	$325,500,274	$1,743,548	.5

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	May, 1923	Change	%
Montreal	$494,794,559—	$15,283,563	2.9
Toronto	445,473,511—	6,021,826	1.3
Ottawa	40,009,412—	4,537,960	10.1
Hamilton	27,424,550+	2,038,847	8.0
Quebec	26,871,787+	2,953,145	12.3
Halifax	15,541,568+	1,672,435	12.0
London	15,050,853+	1,452,152	10.6
St. John	12,342,922	1,865,880	13.1
Moncton	5,495,848—	49,642	.9
Kitchener	4,930,124+	9,594	.2
Brantford	4,641,742+	27,248	.6
Sherbrooke	4,317,149+	130,863	3.1
Peterboro'	3,736,954+	309,101	9.0
Kingston	2,926,437—	70,450	2.3
Total East	$1,103,557,416—	$19,235,936	1.7

WESTERN CITIES

	May, 1923	Change	%
Winnipeg	$243,987,265+	$33,761,943	11.3
Vancouver	64,370,051+	6,837,190	11.8
Edmonton	21,495,208+	66,964	.3
Calgary	19,336,041—	2,927,189	13.1
Regina	13,857,313+	1,769,261	14.6
Victoria	8,467,727—	962,277	10.2
Saskatoon	6,839,095—	99,787	1.4
Moose Jaw	4,961,790+	430,096	9.4
Ft. William	3,672,717+	113,011	3.1
N. Westminster	2,749,117+	313,576	12.8
Brandon	2,482,557+	47,836	1.9
Prince Albert	1,542,026+	130,096	9.2
Medicine Hat	1,215,235—	161,128	11.7
Total West	$394,976,142+	$39,319,592	11.0
Grand total	$1,498,533,558+	$20,083,656	1.3

MONEY, BANKING AND EXCHANGE

POINTS FOR THE SHAREHOLDERS' AUDIT OF BANKS

Submitted by George Edwards, Chartered Accountant

By GEORGE EDWARDS*

The shareholders of a bank are the class of person upon whom the consequences of disaster fall most heavily. Therefore, if the shareholders look after themselves no one else can come to grief. The note holders are safe under any circumstances, but the only confidence the depositors have is that the shareholders are behind them and that they are actively looking after their own interests. Therefore nobody in Canada knew very much about bank auditing in 1913, and the provisions of this section do not appear to have been the subject of much discussion. It had, however, many inherent defects, and some of these may be noted. Sub-section one leaves the choice of persons eligible for audit duty to the general managers, with further power to revise the eligible list annually. It must be apparent from this that any person selected from such a list by the shareholders entered upon his work with the consciousness that the general managers held his future in their hands. The history of the banks which had recently failed—the Ontario, Farmers, Sovereign and others—afforded evidence enough that the auditor might find it necessary, in the course of his duties, to criticize the general manager himself, but he might hesitate to go that far under the circumstances. Sub-sections eighteen to twenty not only did not prescribe an audit that would give to the shareholders any real assurances, but definitely relieved the auditors from the more serious and skilful duties which they are expected to perform in connection with other corporations. To define an auditor's duty is to limit his responsibility.

I am convinced that if the auditing of banks has been well done during the past ten years, it will have been notwithstanding the provisions of Section 56 rather than by reason of them.

Commenting upon the proposals in Section 56 of the Bill now before the Committee, my view is that with a few modifications they are calculated to make the shareholders' audit a thoroughly effective one. Chartered Accountants are specified for the duty and with reference to that I have only to say that they do not desire that any competent persons who are not Chartered Accountants should be denied the opportunity to participate and would favor an amendment to provide for that.

The selection of an eligible list by the general managers might with advantage be amended so as to give to the Minister the right to remove any name on the certified lists upon sufficient cause being shown by the general managers. An illogical feature of the present Act would thus be eliminated. A selected list of forty or more might omit the names of some very desirable and competent men, whom an important body of shareholders might otherwise choose to represent them.

It appears to be the impression in some quarters that Sub-section 6 renders a bank auditor ineligible forever, if he has served for three years with the shareholders of any one bank. As there could be no useful purpose served by placing such a disability upon anyone, the intention ought to be made clear.

A further amendment whereby there could be made substantially effective, a rotation of auditors amongst the banks at stated intervals would in my opinion be a further improvement. An auditor who becomes familiar with the system of one bank only has no opportunities for comparative study. If an auditor of a bank having a highly developed and efficient internal system could be moved to another bank after so many years of service, the other bank, if less efficient in its methods, would be the gainer. Mr. Forgan, in evidence before this Committee said with regard to the system of inspection in force amongst the Chicago banks:

"The disciplinary effectiveness of the method lies in the fact that they (the banks) are all measured by the same standards."

It is not, of course, possible that the full benefit of the plan he describes can be obtained, under the scheme of a shareholders' audit. The plan of limiting the auditor's term of continuous service with any one Canadian bank would, however, be an important and effective step in the direction of standardizing both the bank systems and the auditor's point of view.

To Avoid Alarm

A further consideration of much value would be that an auditor might be replaced without exciting public alarm. As matters now stand the substitution of auditors by the shareholders is made exceedingly difficult. Sub-section 10 in the present Act sets up procedure which no shareholder could put in motion without subjecting the bank's affairs to adverse public criticism. The intention thus publicly advertised, to ask the shareholders to reject an acting auditor when he comes to them for reappointment, would be sufficient to set in motion all sorts of rumors as to the bank's condition. Whether, therefore, the auditor is deserving or not of reappointment, he is practically certain of it. Even under the proposal in the Bill that there shall be two auditors for a bank, each independent of the other, a proposal to refuse to one of them the reappointment he looks for might be a very dangerous thing. The periodical retirement of an auditor, under the statute, would obviate all these risks and afford corroborative evidence to the shareholders that their investment was sound.

The value of a shareholders' audit is chiefly its value to a weak or indifferently managed bank, and for that reason I am unable to accept too definitely the views expressed before this Committee by general managers of banks which are admittedly efficient in their methods, upon the theory of the increasing usefulness of the auditor to the bank as the years go by. Cases may be imagined where the new broom is required and a bank which in a comparatively few years may show the cumulative effects of mismanagement described by Mr. Forgan is a case in point. That was precisely the state of the Merchants Bank, and it is probably true that the auditors, by reason of seeing these conditions growing year by year, had become accustomed to them and had in a sense lost their perspective. It is probably true that continuity is desirable sometimes. Private enterprises, industrial or otherwise, where there is no large question of public interest involved, may be proper examples. The banks it seems to me are not in that general class. With a ratio of liabilities to surplus of ten to one, performing functions of supreme public consequence, and presenting such possibilities for concealment of material facts necessary to an understanding of their true position, definite assurances as to their solvency from a new auditor at certain intervals would carry definite weight and be most assuring.

It cannot be true that a bank auditor, if a chartered or otherwise qualified accountant possessing reasonable experience, would be unable to form an opinion as to the true financial condition of a bank within one year from the date of his appointment. I would be deeply concerned to know that an effective survey for the purpose of enabling him properly to express such an opinion could not be made within four to six months or even less, according to the diligence and facilities used.

*Being in part his statement before the Select Standing Committee on Banking and Commerce on the revision of the Bank Act.

WHO ASKED TO HAVE CHEQUE MARKED?

An Interesting Point as Quebec Courts Established in Recent Decision

The judgment of the Quebec Superior Court as to the rights of parties when a marked cheque has been lost will be of interest. In the case in dispute the cheque was "marked" at the request of the bank's customer, the maker of the cheque, and the effect of such "marking" by the bank is entirely different from that where the cheque is "marked" at the request of the holder. The text of the judgment is as follows:

Where a cheque presented to a bank by the drawer and duly accepted is sent to a third party, but does not reach its destination and is lost, the bank cannot, ten years later, refuse to repay the money to the depositor, as the cheque itself is prescribed by five years against the bearer.

In this case the cheque was presented to the bank by plaintiff for acceptance and accepted before plaintiff put it in circulation. By that acceptance the bank promised to plaintiff to pay to a third person the sum of money mentioned in it and took the money from the deposit appropriating it for the special purpose of paying that cheque. The cheque in question was mailed to the payee, but never reached him.

The authorities quoted by the defendant to the effect that the moment the cheque is accepted by the bank the money to pay it ceased to be the property of the maker of the cheque, are all in cases where the acceptance by the bank was made at the request of the holder, who, by presenting the cheque to the bank for acceptance, availed himself of the promise made by the bank to the maker of the cheque to pay the amount to the payee; this acceptance is a new contract between the bank and the payee as the bank thereby promises to the holder to pay him the amount. A clear distinction must be made between the acceptance by the bank of a cheque at the request of the holder and the acceptance by the drawer before being put in circulation. In this last the drawer merely transfers the money to the bank for the special purpose of paying the cheque and has no more control over that money, while the holder of an accepted cheque has full control of the money.

It is proved that the third person cannot be paid as the cheque is lost, but even if still in existence, it cannot be claimed, as the law intervenes to declare it prescribed by five years—it is ten years old. Defendant cannot withhold any plaintiff's money.

The plaintiff claimed interest at three per cent. since the expiry of five years after acceptance. Interest can run only after demand of payment was made by plaintiff after expiry of five years, which demand and mis en demeure was made through plaintiff's attorney by letter enclosing statutory declaration made by the plaintiff to the effect that the cheque was lost. From the day of the receipt of this letter the bank is in default and plaintiff is entitled to claim interest at the rate of three per cent., since in his factum he limits his demands to that rate.

Commerce

J. C. Rankin, teller at the Blenheim branch of the Canadian Bank of Commerce, has been transferred to Grimsby.

Montreal

A. S. J. Galloway, manager of the Melville, Sask., branch of the Bank of Montreal, has been transferred to Westport, Ont. T. Andrews of the Selkirk branch has been transferred to Melville.

Hochelaga

Leon Lorraine has been appointed director of publicity for the Bank of Hochelaga. Mr. Lorraine has, for the past eight years, been secretary of the Chambre de Commerce at Montreal.

IMPORTANT CHANGES IN MONTREAL STAFF

Appointments Announced by Head Office Affect a Number of Officers

Some important appointments in the service of the Bank of Montreal are announced as follows:

C. W. Chesterton, district superintendent for Saskatchewan at Regina, to be district superintendent for Alberta, with headquarters at Calgary.

J. W. Spears, superintendent of Montreal subsidiary branches at Montreal, to be district superintendent for Saskatchewan, with headquarters at Regina.

A. M. Peters, acting district superintendent for Alberta, to be manager of the branch at St. John, N. B.

H. F. Skey, manager of the branch at London, Ontario, to be associate manager at Winnipeg.

A. C. Skelton, manager of the branch at St. John, to be manager at Hamilton, Ontario.

W. J. Ambrose, manager at Halifax, N. S., to be manager at London, Ont.

R. R. Wallace, manager at Hamilton, Ontario, to be manager at Halifax, N. S.

William McDonnell, assistant manager at Winnipeg, to be inspector of the western division, with headquarters at Winnipeg.

All the above-mentioned officers have had wide experience in banking in various parts of Canada.

Mr. Chesterton is a native of Ottawa, and entered the service of the bank in 1896. Most of his experience has been in the West. In 1914 he went to New Westminster as assistant manager of the branch there, and later he was appointed manager retaining this position until he was promoted to be district superintendent of the Saskatchewan district in 1922.

Mr. Spears, who came to Canada from Scotland in 1906 to join the Bank of British North America, had for five years prior to that time been in the service of the Commercial Bank of Scotland, Limited. After experience in St. John, N.B., at the head office in Montreal, and at Toronto, he was, in 1914, appointed manager of the West Toronto branch, which position he held at the time the Bank of British North America was merged with the Bank of Montreal. In 1922 he was promoted to be assistant district superintendent at Toronto. Two months later he was appointed district superintendent of Montreal subsidiary branches, with headquarters in Montreal.

Mr. Peters is a native of St. John's, Newfoundland, where he entered the service of the Bank of Montreal in 1895. In 1907 he was appointed manager of the branch at Charlottetown, P.E.I. Two years later he went to Sault Ste. Marie as manager, and in 1913 he was appointed manager of the Calgary branch. For the past year he has been acting as superintendent for the Alberta district.

Mr. Skey entered the service of the former Bank of British North America at London, Ontario, in 1897. Later he served at the head office in Montreal and at West Toronto. Then he was for a number of years manager of the branch at Campbellford, Ontario. In 1908 he became manager of the King and Dufferin streets branch, Toronto, and two years later was appointed manager of the branch at London, Ontario.

Mr. Skelton started his career with the Nottingham Joint Stock Bank, Nottingham, England, and came to Canada in 1892 to enter the service of the former Bank of British North America. He served in branches at Montreal, Ottawa, London, Kingston and Toronto, and in 1904 was appointed manager of the branch at Brandon. Four years later he was transferred to the branch at West Toronto as manager, and in 1912 was appointed manager of the bank of British North America's office at St. John, New Brunswick.

Mr. Ambrose entered the service of the Bank of Montreal at Hamilton in 1882. Later he had experience in the branches at Chicago and Montreal, and in 1911 was appointed manager of the Lethbridge branch. A year later he was transferred to Spokane, Washington, U.S.A., as manager, and in 1914 was promoted to the managership of the branch at St. John, N.B. He held this appointment until 1922, when he was appointed manager of the branch at Halifax, N.S.

Mr. Wallace is a native of Dartmouth, N.S., and entered the service of the Bank of Montreal at Moncton in 1888. He was transferred successively to branches at Halifax, Montreal, New York, Hamilton and Winnipeg. In 1909 he was appointed assistant manager at Vancouver and three years later was made manager there. In 1913 he was appointed manager of the branch at Hamilton.

Mr. McDonnell entered the service of the Bank of Montreal in 1899, and after experience in branches at Moncton, Brantford, Toronto and Winnipeg, was appointed manager of the Moose Jaw branch in 1913. This position he held until he was appointed assistant manager of the Winnipeg branch in 1917.

Exchange

NEW YORK FUNDS

May 31—Funds opened at 2 13-32, and closed at 2½% premium.

June 1—Opened at 2½% premium and closed at 2 13-32.

June 2—Funds opened at 2 3-8, and closed at 2 9-32, down ⅛ for the day.

June 4—No quotations.

June 5—Opened unchanged at 2 9-32 and closed at 2 3-32.

June 6—Funds opened at 2 3-32% premium and closed at 2 5-32.

STERLING, FRANCS AND LIRE

	Sterling Demand	Francs Demand	Lire Demand
May 31	4.62¼	6.47	4.71
June 1	4.63	6.49½	4.69½
June 2	4.62¾	6.47½	4.68
June 4	4.62⅜	6.40½	4.61½
June 5	4.62⅜	6.49¼	4.68
June 6	4.62½	6.47½	4.70

TECK-HUGHES

Teck Hughes produced $103,300 in May. Millheads were high and the mill handled only about half the daily tonnage. Net profit for the month is estimated at around $70,000.

Financial Statement
The Canadian Converters' Company, Limited

For Year Ending 30th April, 1923

BOARD OF DIRECTORS

President—JAS. R. GORDON. Vice-President—JAMES N. LAING.

DIRECTORS

THOS. J. RODGER, J. N. MACKIE, JOHN BAILLIE, G. N. BROOKS, J. H. ROY,

General Manager—J. H. ROY. Secretary-Treasurer—THOS. M. BARRINGTON.

To The Shareholders—

Your Directors take pleasure in presenting the Seventeenth Annual Report for the fiscal year, ending 30th April, 1923.

The Trading Account shows profits of $178,550.43, which is about the same as last year. To this has been added Interest on Investments amounting to $23,749.57.

Investments have been slightly increased and ample provision has been made for Depreciation, Bad Debts and Income Tax to date. It will be noted that the Inventory is higher than last year, which is required to provide for the additional unfilled orders carried into the next year.

Dividends at the rate of 7% per annum were paid during the year and the amount of $10,463.90 carried to the credit of Profit and Loss Account, which now stands at $655,822.01.

The Books of the Company have been duly audited and the Auditor's report is submitted herewith.

JAMES R. GORDON, President.

Combined Profit and Loss Account of The Canadian Converters' Company, Limited, and its Subsidiary Companies.

1923 April 30th—	
To Interest on Bonds	$23,940.00
To Reserve for Depreciation, Bad and Doubtful Accounts and reserve for War Tax	46,551.10
To Dividends Paid	91,008.75
To Dividends Payable May 15th, 1923	30,336.25
To Balance at Credit	655,822.01
	$847.658.11

1922 May 1st	
1923 By Balance	$645,358.11
April 30th—	
By Profits of Subsidiary Companies for year to date	178,550.43
By Interest on Investments	23,749.57
	$847.658.11

JAMES N. LAING,
J. HARVEY ROY,
Directors.

Combined Balance Sheet of The Canadian Converters' Company, Limited, and its Subsidiary Companies as at 30th April, 1923.

ASSETS

Property Account—			
Real Estate, Plant, Machinery, Goodwill, etc.			$1,903,164.36
Investment Account—			
Victory Bonds, etc., with accrued interest to date			419,463.84
Current Assets			
Stock of Merchandise, Stores, etc.		$768,654,72	
Accounts Receivable, Less Reserve for Bad and Doubtful Debts		281,113.41	
Cash on Hand, and in Bank		38,497.43	
Bills Receivable		20,892.47	
			1,109,158.03
Suspended Assets			
Insurance Prepaid			15,902.54
			$3,447,688.77

LIABILITIES

Capital Stock—			
Authorized 30,000 shares of $100.00 each		$3,000,000.00	
Subscribed and issued 17,335 shares, $100.00 each fully paid up			1,733,500.00
Mortgage Bonds			
Authorized and issued		750,000.00	
Less—			
Held by the Company	$291,000.00		
Released from escrow and cancelled	60,000.00	351,000.00	
			399,000.00
Of which $200,000 are held in escrow to redeem a like amount of Standard Shirt Manufacturing Co., Limited, Bonds outstanding.			
Current Liabilities			
Accounts payable including War Tax for 1923		185,870.34	
Accrued interest on Bonds		9,975.00	
Dividend payable 15th May, 1923		30,336.25	
Wages accrued		13,504.70	
Bills payable		30,622.01	
Bank Loans (Secured)		90,000.00	
			360,308.30
Reserve for Depreciation			299,058.46
Profit and Loss Account—Balance at Credit			655,822.01
			$3,447,688.77

Contingent Liability

Bills Receivable under Discount, $117,448.93.

JAMES N. LAING,
J. HARVEY ROY,
Directors.

Montreal 23rd May, 1923—Verified as per report of this date.

RIDDELL, STEAD, GRAHAM AND HUTCHINSON, C.A.,
Auditors.

The Shareholders—

The Canadian Converters' Company, Limited.

We have examined and audited the Books and Accounts of The Canadian Converters' Company, Limited, for the year ending 30th April, 1923.

The Inventories of Stock on hand, as certified by responsible officials of the Company, have been valued on a conservative basis.

No recent physical appraisal of the Property Account has been made which would indicate to what extent Goodwill is included in that account, and the Balance Sheet therefore shows the Assets included therein in the same manner as they have appeared in all previous statements.

We certify that we have obtained all the information and explanations which we have required, and that, in our opinion, the Balance Sheet, as at 30th April, 1923 is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RIDDELL, STEAD, GRAHAM AND HUTCHINSON, C.A.,
Auditors.

Montreal, 23rd May, 1923.

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NEWS AND VIEWS FOR MANAGERS

FEDERAL RESERVE SYSTEM HAS NOT SOLVED THE PROBLEM OF CHEAP MONEY FOR THE AMERICAN FARMER

Western Critics of Canadian Bank Act Do Not Study Conditions in United States Very Deeply

From Our Own Correspondent.

NEW YORK.—Would-be reformers of the Canadian banking system have long been inclined to seek inspiration in the United States. Under the circumstances this is hardly surprising. Superficially economic conditions in the two countries are sufficiently alike to lead the inexpert Canadian politician seeking to exploit the discontent of his constituents, to believe that a piece of financial machinery which has apparently served a useful purpose in the United States can be made to serve equally well in Canada. Usually his distance from the scene of the particular experiment which has attracted his eye for the moment helps to strengthen this illusion. He is so far from the scene in fact that he apparently only sees the rosy glow with which each particular scheme is surrounded by its enthusiastic supporters. Further, the cheers with which they, figuratively speaking, launch each new scheme for the production of the economic millenium in most cases drown out the quieter protests of their more conservative and sceptical opponents.

Under the circumstances it was, therefore, to be expected that the Western critics of the Canadian Bank Act who appeared before the Committee on Banking and Commerce should glibly suggest that Canada consider the formation of a Federal Reserve system, organize a national bank and adopt portions of Uncle Sam's latest specific for agricultural ills—the recently enacted Agricultural Credits Act. Under the pressure of demand for help from the West, quick action seemed to be what the occasion demanded. So why trouble to find out whether the Federal Reserve System was giving the American West the perfect banking service, its suggested counterpart in Canada was expected to give the Canadian farmer? Why trouble to ascertain the real purpose of the new Agricultural Credits Act or exactly what conservative bankers thought of it? Why bother to ask a well informed American or two whether the banking machinery of the United States was from the point of view of the farmer any more satifactory than the much abused Canadian system?

Sir Frederick's Logic

As Sir Frederick Williams-Taylor pointed out in the course of the hearings before the Committee of Banking and Commerce, there is considerable difference of opinion in the United States regarding the success of the Federal Reserve System. There are many well informed and conservative American bankers who believe that it still has to justify its existence. There are hundreds of others who would be glad to see it abolished entirely. And needless to say both the moderate and the radical critics of the system, as it exists, can summon no end of arguments to their support.

Convincing proof of this marked difference of opinion in the United States regarding the Federal Reserve Banks is found in the fact that in spite of the fact that there are over 28,000 banks in this country, the Federal Reserve System has only 778 members. Further, within the past few weeks the United States Treasury has been circulating a questionnaire among non-member banks, asking them why they do not join the Reserve System. Even the new Agricultural Credits Act contains provisions aimed to make it more desirable for banks to enter the Reserve System. Banking opinion is quite clearly not quite unanimous about the Federal Reserve System; what of the farmers?

It would be interesting to hear what Senator LaFollette, one of the leaders of the Farm Bloc in the United States Senate, would say, if Mr. William Irvine were to ask him whether he thought a Canadian counterpart of the Federal Reserve System would help the Canadian West out of its present difficulties. And if ever there was a friend of the downtrodden farmer the Senator from Wisconsin is one. He may perhaps compare favorably with even Mr. Irvine himself in this respect.

The chances are a hundred to one that Senator La Follette would tell Mr. Irvine that the American farmer found himself in a position broadly the same as that in which the Western Canadian farmer finds himself today, thanks largely to the policy followed by the Federal Reserve Board and the Federal Reserve banks in 1920 and 1921. The late chairman of the Federal Reserve Board, he would be told, in the Senator's ringing tones, was "the tool of the interests," and had ruined the farmers for their special benefit.

Farmers Oppose F. R. System

And if Mr. Irvine refused to be convinced by even Mr. La Follette's eloquence, one might possibly refer him to the record of the efforts the all powerful Farm Bloc in the American Senate have been making almost continually since the debacle of 1920 to amend the Federal Reserve Act. Apparently they have found it a poor panacea for American agricultural financial ills; if not, why this desire to change it in all manner of ways?

The mere record of the principal extensions to the American credit system, the spokesman for the Western farmers have attempted to have Congress adopt is unquestionably an expression of their complete dissatisfaction with the service the Federal Reserve system offered to the American farmer. During the war the Administration was called upon to establish the War Finance Corporation. This organization is still functioning, mainly as a means of financing the farming communities of the West and Middle West. Its life was recently extended until 1924. Presumably the administration and its banking advisors believe that in spite of the existence of the Federal Reserve banks, additional credit facilities are needed by the farmers of this country. The farmers, at least, must believe it, otherwise it would be difficult to understand the vociferous demand made by their representatives in Congress for the extension of the life of the War Finance Corporation when the question was under discussion late in 1922. But even the resurrection of the War Finance Corporation has not remedied the economic situation in the farming districts. Nor has it satisfied either the farmers, the cattlemen or the graingrowers. This should be apparent to even a casual student of the recent trend of events on this side of the border.

More Credit Wanted

The question of more credit for the farmer was one of the outstanding issues of the last Congress. A variety of measures all aimed in the same direction were offered for the consideration of the administration and the legislators in Washington. Many were offered, few were chosen.

The Federal Reserve Act was amended to enable Federal Reserve banks to discount agricultural paper up to a period of nine months. This was one of the chief answers made by the administration and the Federal Reserve Board to the demand for better credit facilities for the farmers. But the chief result of the agitation for more "credit" was the Agricultural Credits Act. This act, passed at the solicitation of the Farm Bloc was designed to remedy the difficulties which the farmers claimed faced them on account of the inadequacy, from their point of view, of the national credit system.

The Agricultural Credits Act was at least by implication, a confession on the part of the farmer and his representatives in Congress, that the Federal Reserve System, the War Finance Corporation and even the Federal Farm Land Bank system, backed, as they all were backed, by the credit of the United States had not satisfied the farmers. They wanted even more "credit" than even these three powerful organizations were in a position to offer.

Broadly speaking, the Agricultural Credits Act authorized the formation of twelve "intermediate credit banks." These were to be operated as adjuncts of the twelve Federal Land Banks. These banks were to serve as re-discount banks for other new organizations to be known as "National agricultural credit associations." The intermediate credit banks are each to have a capital of $5,000,000 subscribed by the United States Government. The national credit associations are private corporations to operate under the supervision of the Comptroller of the Currency. The intermediate banks are to be under the control of the Federal Farm Land Bank Board; the associations are to be managed by their own board of directors.

The intermediate banks are designed to supply the farming interests of the country with credit through the discount of agricultural paper bought either from the national credit associations, or other banking institutions. The paper discounted is to bear the endorsation of the discounting banking institution and to be discounted at a rate to be fixed by the Federal Farm Land Bank Board. Banking organizations desiring to take advantage of the rediscounting facilities of the intermediate banks must not charge the farmer or the farmer's organization more than one and a half per cent. over the rate fixed by the Farm Land Bank Board.

The intermediate credit banks are to have the power to issue tax free debentures. The total authorized issue will eventually be $600,000,000.

The Agricultural Credits Act, in addition, increased the loaning power of the Federal Land Banks to individual customers from $10,000 to $25,000, and also authorized the Reserve banks to re-discount paper of the Intermediate Credit Banks.

Thus in effect the administration has agreed to place some sixty millions of the American people's money at the disposal of the American farmer, has given the twelve banks authority to float eventually a total of $600,000,000 tax exempt bonds and has apparently "gone the limit" in giving effect to its answer to the farmers' complaint that the credit machinery of the United States is inadequate from the agricultural point of view. Apparently the American farmer has been given everything he has asked in the way of credit organizations. What is to be the result?

It is of course far too early in the history of the Agricultural Credits Act, to venture any firm prediction regarding its ultimate effect on the economic situation which faces the American as inexorably as it faces the Canadian. Conservative eastern bankers have already placed themselves on record as believing that the Credits Act was in many ways technically unsound and in other ways objectionable. Obviously it is "class legislation" of a most pronounced type. It provides for the flotation of a gigantic issue of tax free bonds, the proceeds of which are to be loaned to farmers and farmers' associations at less than the market cost. It provides for loan of some sixty millions of the taxpayers' money to twelve new banking organizations which may or may not succeed in earning their keep. The dangers of an increase in the volume of tax exempt securities in the United States need not be stressed; they are apparent to at least the intelligent members of the community. Governmental operation of banks is a question about which there may be a difference of opinion. But from this side of the international line one may be excused for believing that Canada's experience with institutions of this type has not been so uniformly satisfactory that it can seriously consider the adoption of further schemes leading to the establishment of others.

The government's attempts to enter the banking business in behalf of the farmers have not been particularly successful from the point of view either of the government or the farmers. It is not surprising that the opening of the twelve new credit banks has met with no wildly enthusiastic reception in the East or West.

While one must in all fairness give the new agricultural machinery of the United States its chance and hope for the best, anyone who has watched the course of events since the close of the war cannot help but conclude that the banking system of the United States, from the point of view of the farmer, is still in a process of flux. The drumfire of criticism to which the Federal Land Banks, the Federal Reserve System, and even this latest system of banks have been subjected by the spokesmen of the farming interests in Congress, should at least suggest to Canadian reformers that it would be well not to accept too readily counterparts of the various American banking machines which many of them appear to admire so heartily.

BANKER REFUSES TO BE A GOAT FOR FOXY WILDCATTER

Stage Nicely Set But Manager Looks Behind The Scenes

Suave, fluent promoters of wildcat schemes have victimized many bank managers. Here is an instance of how the biter was badly bitten; how a bank manager who was chosen for the goat butted a wildcat very, very hard.

The promoter arrived in a certain community in the Maritime provinces and vociferated from the housetops that he was planning one of the biggest fox farms in Canada, and has kindly selected that very community as the site of this prodigious industry. He was to have priceless animals by the hundreds. In fact, he announced that special guards would be placed on the fox farm because of his fear that the valuable foxes would be stolen.

In due time he leased a small property on the outskirts of the community, imported about three dozen foxes, and installed flamboyant signs about the property. The promoter let it be known that eight of the foxes were the best available in the world. He placed a price on three at twenty-five hundred dollars each. On others he had assigned prices of one thousand dollars.

A few weeks after the opening of the farm, which was staged with elaborate ceremony, the promoter made a visit to the manager of one of the local banks. In a suave manner he explained that all his money was tied up in the fox farm, and that he would tender the foxes for accommodation on a note for fifteen thousand dollars. The manager was taken to the farm and shown about, and the price of each of the animals named. At the promoter's figures the prices aggregated sixty thousand dollars.

But the manager, after visiting the farm, communicated with a fox expert and had the latter make an inspection incognito of the animals, posing as a prospective purchaser of foxes. This expert placed a valuation of two thousand dollars on the entire lot. After receiving the report of the expert, the manager notified the promoter of what he had learned. The following day the promoter vanished with his foxes, minus the five hundred dollars he had expended in opening the fox farm.

Edmonton Underwriters Look for Good Business

Optimism prevailed at a meeting of the Edmonton Life Underwriters' Association recently. It was pointed out that this year would present unusual opportunities from a life insurance point of view on account of the improving conditions and the present hopeful agricultural outlook in the West.

The following officers were elected: President, F. J. Johnson, Mutual Life; vice-president, J. A. Collins, North American Life; secretary, E. B. H. Shaver, Commercial Life; treasurer, C. Adams, Canada Life; executive, Messrs. Jackson, MacDonald, Foy and Lowry, of the New York Life, Metropolitan Life, Continental Life and Travelers of Hartford respectively.

EAST KOOTENAY POWER

Another big British Columbia power corporation is making extensive additions to its plant. The East Kootenay Light & Power Company, whose most important customer is the Consolidated Mining & Smelting Company, recently authorized the issue of $1,750,000 twenty year bonds to yield 6 per cent. The issue will likely be offered at par. The company's bonded indebtedness is said to be the lowest per developed horsepower—less than $52—in Canada.

UNION BANK CLOSES FRONTIER BRANCHES

Need for These in Far North Declines With Reaction From First Oil Rush

From Our Own Correspondent.

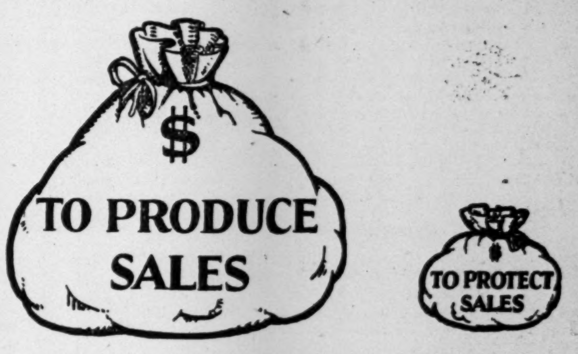
EDMONTON.—The Union Bank has closed its two frontier branches at Waterways and Fort Smith. Business conditions in the North are not such just now as to make a banking service either profitable or necessary, and for the present, at least, the experiment is to be discontinued. The Union branch at Fort Smith was established two years ago, when the Mackenzie River oil prospects were at their brightest, and it filled a real need at first, particularly in the way of giving service to ingoing prospectors. With the halting of the oil business, however, there has not been the same need, and the bank was not operated during the past winter.

The Waterways branch was opened last year, following the location of the new terminus for the Alberta & Great Waterways Railway. It, too, did a frontier business, largely with ingoing Northerners, but the volume was not sufficient to justify keeping a bank open, and it has now been closed out.

Appreciation of the Union Bank's enterprise in making a trial of frontier banking has been freely expressed in business circles here, and the experiment is worthy of putting down among the things to the credit of Canadian finance services. There has been a measure of adventure about it too, the Fort Smith branch, for instance, having opened in a canvas tent and operated with the aid of a dog-team messenger system.

B. OF M. CROP REPORT

Heavy rains during the last days of May have improved growing crops throughout the Prairie Provinces and seeding has been practically completed under good weather conditions. The general outlook is favorable. In Quebec ploughing has not yet been completed, but despite the backward spring the crops that have been sown are in healthy condition. In Ontario rain has retarded seeding. The season is fully two weeks late but vegetation is recovering from the setback. In the Maritime Provinces conditions are still unfavorable and little seeding has been done. Fruit trees have wintered well. In British Columbia prospects are good for all crops except potatoes and small fruits.



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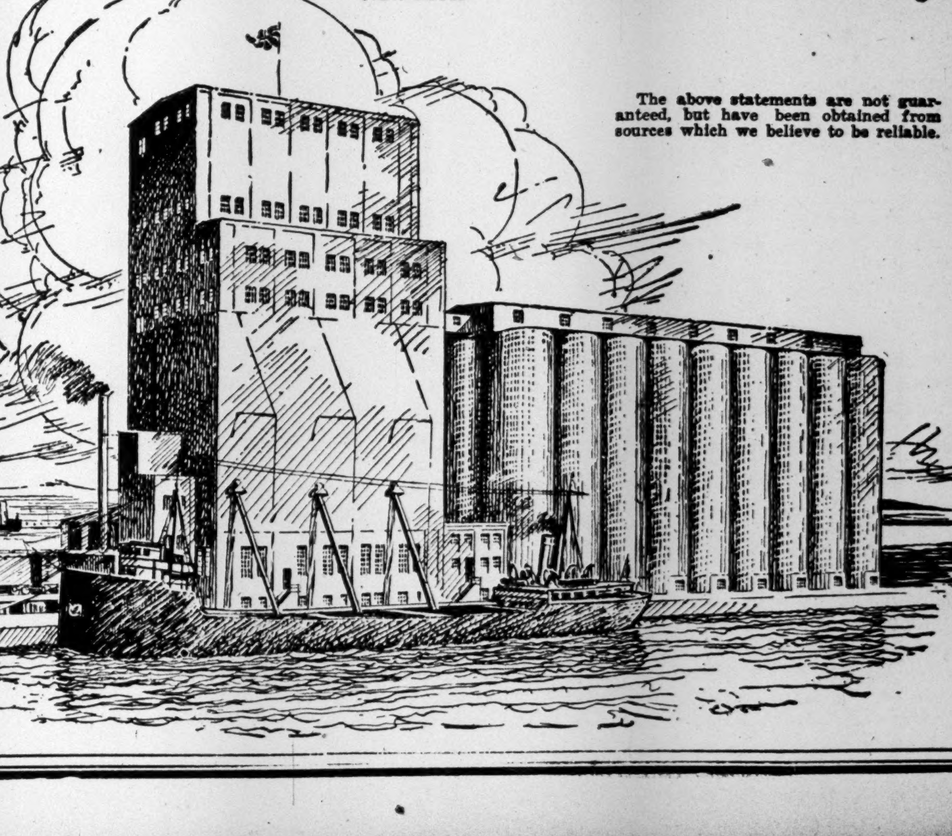

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Subscribers are especially requested to report any instance of delay or non-delivery of THE POST.

PUBLISHED BY
THE MACLEAN PUBLISHING COMPANY, LIMITED
143-153 University Avenue, Toronto.

MONTREAL, Southam Building, 128 Bleury St., F. S. Chalmers; WINNIPEG, 810 Confederation Life Building, E. H. Hawkins; BOSTON, 734 Old South Building, C. L. Morton; NEW YORK, Room 1606, St. James Building, 1133 Broadway (Corner 26th Street), A. R. Lowe; CHICAGO, Room 1004, Federal Life Building, 168 North Michigan Boulevard. Phone Dearborn 8694; GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 33 Fleet Street, E. C., E. J. Dodd, director.

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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

TORONTO, JUNE 8, 1923

Edited for the thinkers of the nation—those people who analyze correctly and draw proper conclusions and who are responsible for the Nation's sound thought on matters political and economic.

MAKING THE MOST OF OUR FORESTS

CANADA has lost close to half a billion dollars since the beginning of the war by allowing the shipment of raw pulpwood to the United States to be manufactured into paper in American mills and by American workmen. This in itself is a strong argument for the imposition of an embargo on the export of Canadian pulpwood and suggests the need for not only a thorough but an early survey of the situation by the Dominion government. The forest problem of Canada is not acute; but it might easily become acute if fires, insects and cutting are allowed to denude the forests without proper reforestation programmes. It is essential that Canada make the most of the forest assets that it has and one way of doing this is to bring the raw materials to a higher state of manufacture in Canada before allowing their shipment abroad. Natural conditions are bringing this about to a partial degree; the concentration of experienced labor and of vast water powers being responsible for the establishment of many paper mills in Canada, but the influence of natural conditions might well be supplemented by legislative authority.

A further suggestion is heard now; that not only should Canadian pulpwood be forbidden the privilege of export but that sulphite and groundwood pulp should not be shipped from Canada. Perhaps the time is not ripe for such a measure, which is more drastic than the other. It would work a hardship on many pulp mills that have been established with Canadian capital and that are still dependent on foreign paper mills to take their product. But a few years hence it may be that we will see such an embargo in as favorable a light as that in which the pulpwood embargo is showing itself. As an easy step to this end the suggestion is made that an export duty should be levied on pulp shipped from Canada, the money to be earmarked for reforestation; in other words, insuring that when Canada's trees leave the country in the shape of pulp they should pay for the planting of other trees to take their place. The ultimate step from this would be an export duty on all forest products to continue the development of new planting.

BRITISH FIRMS RESENT UNBUSINESSLIKE METHODS OF AMERICANS

A GROUP of British firms, representing prominent American manufacturing exporters, have thrown up their United States connections in disgust as they are:

"Through for all time with the unreliability of American business executives—thoroughly sick and tired of the foreign trade 'flirtations' of American connections whose interests shift with every vibration of domestic demands."

The director of the United States Foreign and Domestic Bureau, Dr. Julius Klein, has issued an official statement to this effect, warning United States businessmen of the injury to their foreign trade. He states that there were many complaints before the war about the shortcomings of American business—poor packing; short-sighted credit policies, and linguistic deficiencies; but in 1914 there was a big improvement in an effort to get the foreign markets which were opened up. Now that the domestic markets have improved, the assets of good-will and experience gained since 1914 are being thrown away overnight, as firms are curtly rejecting business in big figures on the grounds that "home markets are once more sufficient to take care of our entire output," "too busy with domestic demands," and so forth.

Dr. Klein says bluntly that the result is a serious blow to the basic integrity and good faith of the whole American business community in the given foreign market, and that the only way to level out periodic depressions is to maintain permanent foreign outlets for trade, regardless of fluctuations in domestic conditions.

THE FINANCIAL POST in 1914, and Lloyd Harris several times after that, said pretty much the same thing to Canadian manufacturers. Mr. Harris, through his experience as Foreign Trade Commissioner, was able to appreciate the effect on foreign customers of some Canadian methods of doing business, but unfortunately the Toronto clique in the C. M. A. was able to put the manufacturers of the Dominion in the position of being not opposed to inferior goods, and this policy gave us a bad name in several foreign countries.

The C. M. A. is still on this record though the men who were mainly responsible have since failed in business and are no longer in the association.

COMMONS COMMITTEE REFUSES TO EXAMINE MERCHANTS BANK OFFICIALS

BY A margin of three votes, the Banking Committee now sitting at Ottawa refused to report to the House of Commons its refusal to call up officials of the defunct Merchants Bank for examination.

While there would be little gain in such an investigation, yet this refusal seems an ill-judged action. In the present inflamed state of public opinion, Mr. Fielding should have allowed the investigation to proceed so that interested citizens would feel they were getting to know the facts in the case. Now, the public believes that it has one more instance of "capital," "high finance," and so forth, being able to cover up its errors and escape the consequences.

TRUTH WILL OUT

THE New York Trust Co., of which Charles Hayden, Chairman of the International (Canadian) Nickel Co., and other prominent financiers are directors, follows up the warning given in THE POST that the alleged Montreal-Barnard-Chester concessions in Asia Minor had nothing behind them unless governmental action could be invoked as between the United States, Canada, Great Britain and France, and that the flood of newspaper gossip was propaganda to mislead the public.

The Trust Co. points out that part of the concession covers a well-developed oil district which is under a British mandate; part interferes with a railway route granted to France by Turkey in 1913, for which France has paid half-a-billion francs; while the concession is directly in conflict with the private interests of the Turkish Petroleum Co., and that—

"Unless supported by our government, it is obvious that the American concessionaires would have little prospect of exercising the rights granted to them. If such support is forthcoming, it will carry American enterprise and capital into a field heretofore entirely occupied by others; it will also mean that the United States enters a field of diplomacy which for many years has dealt with the complicated and irritating situations that seem inseparable from relations with the Ottoman government."

U. S. EDITORS MORE PRACTICAL THAN OURS

IN ALL this discussion which the budget speech has given rise to in the press of Canada and the United States, there is a marked difference in the attitude in which the press of both countries look at the problem. In Canada the editorials seem to be written by students of economics who deal with tariffs from theoretical and college textbook standpoints. They prove theoretically that it is to Canada's advantage to have reciprocity and eventually free trade. We seldom find anything of this among the practical Yankee editors. They very properly approach every question from what is the immediate practical advantage to the United States. They want to hold everything they have, regardless of theories. If the United States is to give up any advantage, they must get something in return. The Fielding Budget gives away our case in advance.

CANADA SHOULD ASSERT HER RIGHT TO WRANGEL ISLAND

COLONEL FOWLER'S resolution in the senate requesting the government to protect Canadian rights to Wrangel Island and other territory adjacent to Canada is supported by Andrew T. Thompson, former Liberal M. P. for Haldimand, in an article in the Military Gazette. He says, in part:

"When the Treaty of Paris transferred from France to Britain the vast territories which now constitute Canada, there was, no doubt, chagrin in France because of national humiliation......but Voltaire in 'Candide' well expressed the current French view as to material value in his celebrated words "a few acres of snow." When the C.P.R. was first projected there were many intelligent men who regarded the north-west territories, the present flourishing provinces of Manitoba, Saskatchewan and Alberta, as incapable of growing anything but fur-bearing animals."

It is easy to ridicule the potential value of unsettled lands in the north, but the history of the Louisiana Purchase; of Alaska; the development of the United States North-West; and of the Canadian prairies; should bring support to those public men who try to lay foundations for the security and expansion of the Dominion by formal acquisition of territories which geographically and by exploration are ours.

DEMOCRACIES LIABLE TO DEFY CONSTITUTED AUTHORITY

THAT distinguished journalist, Charles E. Russell, at one time somewhat of a Socialist, has become with more experience less of a democrat. In a recent talk to the United States daily press he points out:

"It appears that in a democracy can be developed a power that can defy all constituted authority and carry the government into the most perilous complications without the consent of the people."

When the Reform Bill of 1832 was passed, it seemed that the millennium was at hand, but optimism along that line has faded. We have passed beyond representative government: the Initiative, Referendum, and Recall are carrying us into new fields of democratic evolution, and the end is not yet in sight. Our representatives realize more and more that they no longer think and vote for their constituents, but that their vote must be along the lines dictated by noisy groups—often small minorities—in the home constituency, and that signs of independence will bring Nemesis.

In ordinary life, also, we have an evolution, and it is always cropping out in a new place, but with a remarkable sameness in principle. This is the att[illegible]ference with constituted authority by groups and sections. No sooner is something done, or proposed to be done, than some interested and noisy clique forms a deputation and proceeds to interview the authorities so as to influence their decisions. If argument is useless, then threats are used, and all possible publicity is promised to bludgeon the authorities into conformity with the "will of the people"—which is really only the will of the little vociferous section interested.

EDITORIAL NOTES

SIR CHARLES HIGHAM, English business man, says: "You may think of America as a land that has all the gold, but I assure you that she has not lost her soul. We are masters of export; America is master of selling."

* * * *

KEYNES, the famous economist, condemns entirely the idea of a huge international loan to Germany to settle the reparations question. A small half-charitable loan, on the Austrian basis, to help Germany on to her feet again is the best that can be done on these lines, and the Allies should then be content with what she can pay year by year.

* * * *

THE CITY of Middletown, Ohio, with a population of 24,000 is one of the few cities of its size in the United States in which local transportation is entirely supplied by motor buses, there being no electric railway system. The future of the motor bus might be closely studied by Canadian cities which like Toronto may be spending many millions for street car service which can only be justified on the basis of many future years of service. This is particularly the case where the bus promises a solution of the congestion problem on narrow streets.

* * * *

THE PLAN TO use the Hydro political machine in the Ontario elections to the extent of financing Hydro candidates is condemned by the Toronto Star which declares that "the supporting of these candidates with funds filched from the pockets of Hydro consumers would be neither defensible from the legal standpoint nor excusable from the moral viewpoint." It is a "monstrous proposal" according to the Star, yet after all it is only a step from paying the expenses of delegates brought together to brow-beat the government to paying the expenses of candidates for election to the legislature.

Blue Spectacles or Rose?

After the Long Season of "Blue Ruin" Talk Western Farmer Has Settled Down to Season's Crop, Mirroring Return of Confidence.

By J. H. HODGINS.

What is the outlook in the Western provinces? The long season of blue ruin talk has produced a mental attitude both East and West in regard to Western conditions which those stalwart individuals who continue to have implicit faith in this part of the Dominion find it difficult to shake.

Perspective counts for a great deal and one's views of the West's immediate future are chiefly determined by one's closeness or remoteness to the actual situation. There can be no denying that much of the "blue" propaganda of recent months was meant entirely for consumption at Ottawa, but the tragic note is that instead of remaining a parliamentary piece de resistance it has been broadcasted over the English-speaking world. The men who started this propaganda and carried it on so vigorously have apparently "heard from home," as a noticeable slackening in their efforts to paint conditions in the West in drab colors has been discernible of late. The West has quickened to the dangers of too much meddling in politics. "As soon as the farmers awoke to the fact that they would be the first to suffer from the propaganda of pessimism carried on by their political leaders they put a stop to it," in the words of the Regina Leader.

With the winter has passed much of the recent agrarian discontent. "The farmer has put in another crop of wheat," cheerfully sings the Edmonton Bulletin, conjuring up a mentally happier West with the advent of the new crop season. In the fact that the Western farmer, who throughout the past six or eight months has been declared hopelessly bankrupt has gone back onto the land for another season in a hopeful spirit the Edmonton Bulletin finds that invariable confidence in their West which is the fundamental of all real westerners.

Now For Another Crop

"The Western farmer has put in another crop of wheat"....it is the silver lining to the dark cloud.

By his action the Western farmer has shown his ultimate disregard for his political leader. As the Edmonton Bulletin explains, the farmer members of parliament, the heads of the farmers' organizations and many other theorists have done their utmost to declare the farmers of the West in the last gasp of economic exhaustion, but "the Western farmer has been taking all these outpourings of lamentations as more or less theoretical. He is a practical chap and he is not playing up to the lead that his leaders have given him.

"The farmer and nature are functioning as usual and pulling together to produce another crop this season, and their joint efforts will do a great deal before winter comes to pull the country out of the hole. If the theorists and politicians will only lay off and stop discouraging the farmer and libelling his business, that, too, will help some."

The undaunted spirit of the agrarian is unquestionably the West's best asset at this time. For, with this fundamental confidence, a broader spirit of confidence must develop.

There can be no gainsaying, as The Regina Leader puts it, that "Western Canada is tinged with pessimism and despondency." W. R. Allan, the President of the Union Bank of Canada, returned to Winnipeg the other day from England apparently astonished by the widespread pessimism which he found overshadowing Western Canada upon his return. "The truth is that Winnipeg and the West have with every reason for optimism and a confident outlook, entered a period of doubt which in some individuals is almost despondency," according to the Winnipeg Tribune. Mr. Allan after pointing out that Western Canada in 1922 produced a cereal crop worth more than $500,000,000, expressed his conviction that "there is surely nothing to warrant pessimism concerning a country of such possibilities." Which is a view in which the Tribune concurs.

Time For New Faith

Three great factors governed, in the most prosperous years of the West's history, first a substantial margin of profit on the great natural production; second, the influx of new settlers in a tremendous stream; and third the influx of capital. "If there were reasons for the confidence which the Western people felt in those days, if their 'pep' and boosting had a substantial foundation and it had unquestionably; there are the same seasons for the same undoubting, unhesitating faith to-day," according to the Winnipeg Tribune.

It is the estimate of Saskatchewan government officials that $100,000,000 went to the liquidation of old accounts in that province last year. Manitoba and Alberta together probably paid off a similar sum of obligations. That did not entirely clear up the debts of the Western farmers but there is testimony everywhere to the effect that it has relieved the situation wonderfully and has laid the basis for unlimited confidence.

Apart from the crop the West has three cardinal problems. The crop is always a problem, as the fundamental industry. But if one may disassociate the crop it will probably be found that Immigration, Financing, and Marketing are the current outstanding questions in Western Canada.

There is disappointment in the West over this year's immigration. But this subject will be treated more fully later on.

The program of financing may be subdivided to embrace the financing of the farming industry generally, or rather the extension of agricultural "credit;" the financing of municipalities; and the increasing burden of taxation.

Marketing is a broad subject upon which depends, not only the disposal of the West's exportable surplus of wheat, but the development of the cattle movement and the newer situation created in the ambition to find a wider market for Alberta coal.

A Trio of Problems

This trio of problems will be discussed in subsequent articles, the purpose now being to present the outlook for the immediate future as mirrored in the press of the West.

The farmer's return to his season's work is regarded as the saving factor of the situation. "They had a good crop last year and are looking forward to another good crop this year," says the Regina Leader. "The last thing these farmers are talking, or wish to hear, is 'blue ruin.'"

The Brandon Sun finds a new ray of hope in the increased tendency this season to mixed farming. "Farmers are sowing a little less wheat, more oats and barley and fodder crops. Some have added greatly to their dairy stock and others are making poultry raising a profitable sideline. These things of course are what the independent farmers are doing but some of them may solve a few of the real problems of agriculture as they used to do—on the farm."

"Taken in all the prospects are most reassuring," is the cheerful note of the Medicine Hat News which, in a resume points out that: "Twenty million dollars was released for grain on the Winnipeg exchange during the first week of this month, improving the bank and mortgage situations very materially. Most of this cash will be available for payment of debts by farmers and purchase of new implements, lumber and household goods. The announcement of considerable railway construction by both companies on the prairies for this season has contributed to the improved feeling that is manifested in all commercial activities. Wholesalers report increased remittances from merchants of the prairies while some new stocks in hardware are being ordered complete for new stores being opened in Saskatchewan and Alberta."

Increased Buying Power

Urging, with the Calgary Farm and Ranch Review, the people of this part of the country to "Buck up," the Moose Jaw Times takes the attitude that if history repeats itself, as it invariably does, "we are now in for a long stretch of good agricultural years; probably another 20-year period," and for this reason stresses that "this is no time to quit, but rather let us now have a long and strong pull for improved marketing of our products." Similar confidence in the turn of events is expressed by the Winnipeg Tribune, which says: "As a matter of fact opportunity for incoming agricultural settlers were never better in Western Canada than they are to-day."

"The West's buying power this year is greater than it has been since 1919," is the Tribune's summing up. "It is time for the West and for Winnipeg to get out of the notion that because 'business was bad' a year or two ago that it still bad. As a matter of fact, business is proceeding normally with bright prospects for great activity in the immediate future."

This is the first of a series of four articles dealing with Western conditions. Future articles will deal with various problems including credit, immigration and markets.

Friends of American Bank Officials Often Get the Bulk of the Loans

One of the usual complaints heard regarding the Canadian banking system is that it is too much of a machine and that the American unit system is much more "human" in that local capital is controlled by local directors who from their close knowledge are able to give more sympathetic and loyal consideration of needs for credit than is the case with head office rulings. Apart from the argument for the Canadian system, as opposed to the American, that in many districts in Canada, particularly in the West, there would not be sufficient local capital to finance a local bank, it is a moot question as to how strong the unit system is as regards service to local projects. The following statement regarding the operations of some of the small American banks under the unit system was made at the annual meeting of the American Bankers' Association by T. H. Brougham in supporting a resolution of appreciation of the services of the Clearing House Section of the Association:

If there is anything in America that operates against the banking business it is neglect. A bank is organized and some man with more stock than others is elected president of it. He suggests the cashier. The cashier is elected and there are two men running that bank; the directors get around once a month. Some of them learn something about the proceedings of the bank and others don't, and consequently the friends of the president and the friends of the cashier get nearly all the loans (laughter) which is not right. Friendship in banking, or friendship in anything, is hard to overcome, but in banking you are not there for love, you are there for business, to look after the interests of the people that are your customers and to take care of the money deposited (applause), and to be in shape at all times to pay it back, if they want it.

I am not a very old banker. I would have been an older banker if it wasn't for the trouble that they had forty years ago. I have had men come and say to me, "Mr. Brougham, come down to our bank and buy some stock."

I would say, "Well, I would be glad to do so, but I haven't more than four or five thousand dollars that I can invest in stock, and I would like to get ten."

I later saw one of those men come out in front of his bank and shed tears, asking the people to go away. He said, "If you insist on drawing all your money out now, this bank will break and you will break. But if you will be a little bit sensible and give us time, we will be able to pay every cent. The bank is in fine condition, better than many of you think, but we can't cash our notes at present."

Thank the Lord, with the new system of currency, the sectional banks have placed things in a little different position and now if a man will just be careful and get notes that are good, there is no need of his breaking at all, there is no need of a panic, and no need for begging the people to go away.

Instead of getting them out there and begging them to go away, take your notes and go up to the bank and get the cash on them—and the bank progresses as it ought to, and as every careful institution anywhere would progress.

PERSONALS

G. B. WOODS, president of the Continental Life Co., has left Toronto for an extended trip to England.

MAURICE BESNARD, president of "La Compagnie d'Assurance Urban" of Paris, is in Montreal on an unofficial visit.

GEO. ADAM, Toronto, has been admitted as a partner of Wilson, Angus, and Adam, textile manufacturers' agents. The firm represents a number of Canadian and British mills.

R. W. DALTON, His Majesty's Senior Trade Commissioner in Canada, and F. W. Field, H. M. Trade Commissioner at Toronto, will be guests of the Canadian Manufacturers Association convention dinner in Toronto next week.

H. C. HEWETSON, who for some time was senior estates officer of the Toronto General Trusts Corp., has been appointed manager for British Columbia and has left to take over his new post. On the eve of his departure he was presented with a silver tray and candlesticks by the officers, executive and head office staff.

FRANK J. REDDIN, who has been appointed manager of the office to be opened at Oshawa this week by the Central Canada Loan and Savings Company, has been with the company many years, latterly as accountant. Associated with him will be Geo. W. Finley, who was formerly teller of the Dominion Bank, Oshawa, and for the past year with the General Motors Corporation.

DR. OLIVER BOWLES, who has been appointed superintendent of the new mining experimental station of the U.S. Bureau of Mines at Rutgers College, New Brunswick, N.J., is a Canadian, a graduate of Toronto University (1907) and from 1908 to 1910 was engaged in field work for the Ontario Bureau of Mines. Since 1914 Dr. Bowles has been stone quarry and non-metallic specialist in the Bureau of Mines, and has written many technical papers and articles. His labors have recently been directed chiefly toward quarrying problems in the lime industry.

In his new post he will specialize in problems involved in the production and utilization of the various non-metallic minerals.

A. C. SKELTON, manager of the Bank of Montreal at St. John, N.B., who is being transferred to Hamilton, has been stationed in St. John for about ten years, first as manager of the Bank of British North America, being transferred to St. John from West Toronto. Soon after the bank merger he was appointed manager of the Bank of Montreal. He was president of the Boy Scouts Association for New Brunswick, vice president of the New Brunswick Tuberculosis Association, and a member of the board of governors of the Health Centre of St. John. He was also treasurer of the provincial Red Cross, and commissioner of the Church of England Institute.

SIR FRANCIS HARRISON-SMITH, K.C.B., who heads the committee representing the 5,000 English stockholders in the Grand Trunk Pacific, now in Canada, interviewing the Government at Ottawa, has been a member of the Royal Navy since 1878. During his first five years' service in the corvette "Tourmaline" he was in Canada and the West Indies, voyaged round the world in company with the "Bacchante" in which his Majesty King George V. was serving as a midshipman, and took part in the occupation of the Suez Canal and the Egyptian Campaign of 1882. He was then transferred to the secretariat of Admiral Sir William Hewett, naval commander-in-chief on the East Indies station, during which appointment he served as aide-de-camp to the Commander of the Naval Brigade in the operations against Osman Digna, was highly mentioned in despatches, and received the Turkish order of the Medjidieh for distinguished services in the presence of the enemy. Since 1889 he has served almost entirely as secretary to a long array of distinguishd admirals, Sir Compton Domvile, the Honorable Sir Edmund Fremantle and Sir Henry Fairfax at Plymouth, Sir Cyprian Bridge in China, Sir Wilmot Fawkes at Plymouth again, Sir Arthur Moore and the Hon. Sir Hedworth Meux at Portsmouth, in which important port the war found him in 1914. For more than three years he was Private Secretary to His Excellency Sir Harry Rawson when Governor of New South Wales. He was made a C.B. in 1911 and promoted to K.C.B. in 1919 in recognition of services during the late war, retiring by reason of age in 1920 and being awarded a Good Service Pension in 1922.

Stumpage on poplar which is cut extensively in some sections of New Brunswick for pulpwood, was reduced by order-in-council passed by the Provincial Government. The former rate was $4 per thousand, which means a reduction of from $2 to $1.50 per cord for pulpwood.

City of Victoria

(BRITISH COLUMBIA)

5½% Gold Coupon Bonds

Dated 10th July, 1923. *Due 10th July, 1924-1953*

Principal and half-yearly interest (10th January and July) payable at the Bank of Montreal in Toronto, Montreal, Victoria, or at par of exchange in London, England, at the option of the holder. Bonds may be registered as to principal.

PRICES:

Maturities 1924-1925	......	Rate to Yield 5.50%
Maturities 1926-1933	......	Rate to Yield 5.60%
Maturities 1934-1938	......	Rate to Yield 5.55%
Maturities 1939-1953	......	Rate to Yield 5.50%

The bonds are issued to mature in substantial amounts in each year from 1924 to 1953, inclusive, thus giving investors a wide choice as to maturities and amounts desired. Bonds are issued in the convenient denomination of $1,000.

Full Descriptive Circular on Request.

Orders may be telegraphed or telephoned to any of our offices at our expense, and securities will be delivered to purchasers free of all delivery charges.

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INVESTORS' INQUIRIES

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A three cent stamp should be enclosed to cover a direct reply.

CHANGING VICTORY BONDS

Reader, Vancouver—I have some Victory bonds and have been thinking of selling and buying Radio Corporation and Tonopah Divide. Should be glad to have any information as to their standing.

We doubt very much the wisdom of selling Victory bonds to buy either of the issues you mention, both of which are highly speculative.

GORDON IRONSIDES

H. R., England—What is your opinion of Gordon Ironsides & Fares Company, and what are the prospects of any interest on the bonds?

The bondholders' committee of the Gordon Ironsides & Fares Company have rented the property to a private company, but the returns make little provision for the payment of interest. It is understood that an attempt is being made to sell the property.

TECK-HUGHES

C. P., Vancouver—I have a few shares in Teck Hughes and notice they are going up. Are they worth holding?

Teck-Hughes gold mine is producing somewhere around $100,000 per month. The rise to the present prices between $1.30 and $1.40 has been rapid. The property is one of considerable merit. However, before dividends can be paid, a bond issue of $324,000 must be attended to. It is often a good policy to take a good profit when possible on a speculative proposition.

INTERNATIONAL NICKEL

C. P., Vancouver—Could you give me information regarding International Nickel, why the price of the shares are practically at a standstill and as to whether they are worth holding?

International Nickel is fairly busy at the present time. Gradually new uses for nickel are being found with the steadily increasing demand for the company's products. The company is in a fairly sound position. It is generally considered that at the present price of $13 and $14 this issue is a fair speculation.

CANADA STARCH

H. R., England—Kindly give me your opinion of Canada Starch Company bonds and preferred shares and whether I should continue to hold and what generally are the prospects of this company.

We have been unable to find any bids for the bonds or preferred stock of the Canada Starch Company at present. However, we understand they are paying the bond interest and preferred dividends regularly, so we would hold them until fall, unless you have an opportunity to sell privately.

VICTORY BONDS

Reader, Folkestone—I hold Victory Loan 5½% 1923 and I would like to exchange my holdings into Victory Loan of some later period for redemption or into some other sound security. Would you kindly advise?

The Victory Loan bonds are listed on the stock exchanges on which the 1934 maturity is quoted at present around 103. As you are not subject to Canadian income tax, this issue should meet your requirements best. There are many provincial and municipal bonds on the market which are highly saleable but the yields are not much higher than those of Victory bonds.

MUTUAL OIL

Reader, London—Kindly tell me what dividend Mutual Oil is paying. Has the company been increasing its holdings of late? I have been ill and out of touch?

Mutual oil has just declared its regular quarterly dividend of 12½ cents a share, payable June 15, to shareholders of record June 1. No new holdings have been taken over of late, but the company is now the centre of an interesting dispute. This involves ownership of a tract of land in which Mammoth oils recently brought in a gusher of 7,000 barrels daily. The U. S. Interior Department must settle the dispute. The property is evidently worth having.

FOR SAFE KEEPING

C. P., Nova Scotia.—Could you give me the following information? Is there a company that would insure securities left with a bank for safe keeping, if so name of company and premium, rate, against burglary or theft? Also is a bank liable for loss of securities from a safety deposit box, that is lost by burglary or theft?

The bank agrees to exercise the same care over deposit boxes as over its own securities. Beyond that it is not responsible.

A number of good casualty companies issue such insurance covering loss by burglary or robbery but not theft as by the bank's employees, etc. The rates vary from 25 cents to $5 per thousand, with a minimum premium of $10 per year, depending on the various classifications of protection maintained by the individual banks.

BEAUMONT GOLD MINES

Reader, Stratford—What is your opinion of Beaumont Gold Mines Porcupine?

The Beaumont Mine was formerly the old North Davidson. It was reorganized and the name changed to meet conditions for a deal with English interests to finance it. The deal was not consummated. The English interests sent out an engineer but made no payments. L. G. Harris, Royal Bank Building, who has been in control of the property, says the English interests were unable to carry out their part of the deal. Sinking on the Beaumont has been carried to the 300-ft. level and some 800 or 900 feet of drifting has been carried on. Values have been irregular and patchy. Mr. Harris says that diamond drilling has revealed good values at depth. No stock is being sold in this property at the present time.

LA PAZ OIL

P. T., British Columbia—I see in the unlisted stocks that La Paz is listed at $30. Will you please advise me if this is Canadian La Paz Oil Corporation stock, if not what is the present sale or market value of the latter and if there is any connection between La Paz as shown and Canadian La Paz Oil. Some considerable time ago I wrote you asking market value and you quoted 35c. hence my doubt as to it being the same company.

La Paz Oil is really in the hands of the Associated Producing and Refining Co. of New York, although the officers of the concern stand as they have been for some time. The outlook for the present is not bright. There has been an effort put forth to work out a scheme to get the concern working. However, there has been a material drop in the enthusiasm for oil. Over-production is the main reason advanced for this, with the result that financing at the present time cannot be carried along successfully. La Paz Oil officials have found this out, having encountered the greatest difficulty in trying to raise capital. Those closely associated with the concern say the properties are of great promise but it will take time for the company to realize on them. You evidently read the figures wrong in our table of unlisted securities. The price was 30 cents, not $30. The stock is still offered at that price.

GOUDREAU GOLD MINES

Reader, Hagersville—Will you please give me information regarding Goudreau Gold Mines, both as to property and the company itself?

Development on the Goudreau Gold Mines has now reached the 400 level and a station will be cut at that ledge and then a drift run to pick up the vein. In sinking operations, the vein left the shaft for a time and then reappeared for some 25 feet, leaving it again somewhere around the 300-ft. level. It is expected that a short drift will pick it up on the 400 level. The ore body is about 25 feet wide and values run high. Some of the ore is as spectacular as anything in the north country.

Goudreau is a pioneer effort in this camp. As a result of the success which it is achieving there is a great deal of money being spent in the area by other interests. C. A. Foster first took hold of the property and spent a large amount of money on opening it up before shares were sold to the public. He got $1,500,000 for his claims and the development work he has done. Since then the holdings of the company have been materially enlarged. Values in No. 1 shaft, sunk to the 300 level, run from $24 to $40 in different sections of the property and in ore bodies of good width. No. 2 shaft values did not run as high but were a good average. The property is good and those at the head of it seem bent on a legitimate mining effort.

MATACHEWAN CANADIAN

Reader, Peterboro—Kindly advise regarding the purchase of 1,000 shares of Matachewan Canadian. This would represent one-tenth of my surplus, the balance being invested in governmental and municipal bonds.

Matachewan Canadian owns 840 acres in the Matachewan gold area. This is a new mining camp, but there has been sufficient work done in it to lead to the belief that the time is not far distant when it will have a number of excellent companies operating in there. The holdings of this company are an amalgamation of Matachewan Canadian Gold, Matachewan Rand and the Clemens-Robb claims. For two or three years aggressive exploration work was carried on by a group of New Yorkers, a large amount of money being spent. Besides considerable underground work, which resulted in the blocking out of considerable ore, there was also a diamond drill campaign of considerable magnitude completed. This consisted of 73 holes and an analysis of the result of this drilling shows fairly consistent values. There is already an estimated ore tonnage of 36,857 tons with an average value of $9.77 a ton blocked out. Engineers of high standing report the property to be one of merit. As soon as the Great Northern Power Co. can deliver power, operations will be started. Financing is now proceeding. We look upon the venture as a mining speculation with a good chance.

TREND OF MARKET

P. S., Parry Sound—Could you give any information on the possible trend of the mining market. Would appreciate what information you have available.

The mining market suffered a material slump of late and at the present time few issues are as high as they were two weeks ago. There has been a material absence of buying power to the market and this has aided the bears materially. As to the future, it is hard to see in what way the most of the stocks are worth less to-day than they were two weeks ago. Certainly the leading golds are as strong as ever and are facing a record season. For smaller Porcupine properties the outlook is not as bright, as they have the power problem to solve. The completion of the Sturgeon plant of the Northern Canada and the plant of the Great Northern will help this situation somewhat.

NATIONAL GLASS WORKS

Reader, Cornwall—Would you be kind enough to favor me with particulars in regard to stock of a glass casket manufacturing company, the stock of which is being sold by La Compagnie Nationale de Placements, Montreal. I am intending to invest some money in this stock and would like to have you give me more particulars in regard to it.

The last balance sheet of the National Glass Works, Limited, as at December 31st, 1922, did not reveal a very strong position. Certainly we do not feel that the company has advanced sufficiently far to warrant the selling of the common stock at 25 per cent. over par value.

The company was formed to manufacture a glass casket or coffin. Admitting the contention that the product catered to a need that never ceases whatever industrial conditions may be; that the article is an absolute necessity and is used only once, it must nevertheless be recognized that their type of casket is something of a novelty and may be a difficult proposition to put across. The company will require a great deal more working capital as the balance sheet seems to show at the present time.

While the company is to be congratulated on making available an audited financial statement which indicates its exact position and while it has shown some considerable progress since the first stock was sold more than a year ago, we feel that its future is a matter of speculation and the investment is too hazardous for an investor not in a position to take a certain element of risk with his money.

Scarcity of Good Industrial Bonds

THERE is a real scarcity of sound long-term Industrials. Yields of 6% and higher, plus adequate security of principal and interest, are rapidly becoming unobtainable.

EXPERIENCED investors are placing their funds in this class of security, because they realize that the present opportunity is not likely to recur for many years.

THE following offerings from our current list afford a good range for selection:

SECURITY	RATE	DUE	PRICE	YIELD
Bathurst Co. First Mtge. Bonds.	6½%	1941	100.00	6.50%
Canadian Salt Equipment Notes.	6	1925	100.00	6.00
" " " " .	6	1926–28	99.50	6.15
" " " " .	6	1929	99.75	6.10
Continental Paper Products First Mortgage Bonds (Guaranteed by Continental Paper & Bag Mills, New York)...........	6½	1943	99.50	6.55
Stetson Cutler First Mtge. Bonds	7	1942	99.00	7.10
Western Dry Dock & Shipbuilding First Mortgage Bonds.....	6	1929–32	6.50% basis	

WE invite orders and inquiries from small as well as large investors and will arrange instalment terms if desired.

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CURRENT OPINIONS

GASOLINE PRICES

Hardware and Metal

Some interest has been taken in reports that gasoline is now selling cheaper in Canada than in the United States. This being a very unusual situation, has been much commented upon. The facts show that at time of writing the price to the consumer on gasoline per Imperial gallon is as follows:

Toronto—29 cents per Imp. gal.
Detroit—28.4 cents per Imp. gal.
Buffalo—28.8 cents per Imp. gal.

These prices have been figured, taking into consideration the 20 per cent. difference between the Imperial gallon and the reputed gallon used in the U.S.

There is nothing particularly significant in these figures, the relation generally being about the same between prices on both sides of the border where points in each of the two countries are fairly close together. The price varies according to the location of the city with respect to the oil wells. Thus in southern U.S. points near the wells the price would be several cents per gallon less than that shown herewith.

Wiping out the import tax on crude petroleum is of some assistance to Canadian refiners, this being not much offset by the imposition of the new duty of half a cent per gallon on petroleum, so that there is now even less reason for a big spread between prices of gasoline in Canada and the U.S. Another factor has been the late spring with consequent less business in gasoline this year than was expected. This has enabled the building up of some reserve stocks which will help offset the peak load to come later and which is expected to assume large proportions this year in view of the big increase in the use of motor cars and trucks.

War Financed by Borrowing; Increased Taxes for Railroads

Result is a Situation in Which Business is Carrying a Heavy Burden and an Unbalanced Budget Gives Ground for Apprehension as to the Future.

By J. COURTLAND ELLIOTT, M.A.

There are a number of features of public expenditures which emphasize the serious condition of our federal finances mentioned in previous articles. In the analysis of revenues last week it was noted that during the period of war and demobilization taxation was increased four-fold, greater reliance was placed upon the levies upon wealth and income and the comparative importance of the customs tariff and excise taxation decreased one-half. The result is that, when direct taxation in the provinces and municipalities is considered, the load carried by business to-day is heavy, and it was estimated that business and business men were bearing 50% of the taxation as a charge that could not be shifted to the consumer. It is being wholly absorbed out of income and will vary with changing business conditions.

It might be thought, therefore, that a very considerable part of the increased expenditure due to the war would have been met out of this augmented taxation—especially as the increased levies were dubbed "war taxes." The fact is that whatever surplus of revenue was available to meet expenditure on war account from 1914 to 1919 was completely utilized by 1921 to cover the deficit on the operation of the national railways. The war was financed by borrowing.

It is an undetermined point in the theory of public finance as to what proportion of the expenses of a war should be met by taxation. Much depends upon the magnitude and the duration of the struggle and the extent of its effects upon the economic system. Opinion is generally crystallized, however, that taxation at the minimum should be sufficient to meet (1) current expenditure, (2) interest and provision for the repayment of non-sustaining capital expenditures and of the national debt.

Expenditures on Consolidated Fund Account.

Charges on Debt*	Pensions	Other	Total	Year
$ 14,752,117	$ 311,900	$112,320,456	$127,384,473	1913-1914
17,937,284	358,558	117,227,375	135,523,207	1914-1915
23,926,442*	671,133	105,753,152	130,350,727	1915-1916
37,770,651	2,814,546	108,014,146	148,599,343	1916-1917
51,517,790	8,155,691	118,610,832	178,284,313	1917-1918
80,185,604	18,282,440	144,263,239	232,731,283	1918-1919
108,989,747*	26,004,461	168,849,722	303,843,930	1919-1920
140,653,607	37,420,751	183,043,787	361,118,145	1920-1921
139,357,449	36,153,031	172,050,211	347,560,691	1921-1922

Other Expenditures

Capital and Other	Railways	War	Grand Total	Year
$ 39,820,338	$ 19,036,237	$	$186,241,048	1913-1914
46,633,336	5,191,507	60,750,476	248,098,526	1914-1915
41,753,849	1,400,171	166,197,755	339,702,502	1915-1916
42,155,376	959,584	306,488,815	498,203,118	1916-1917
53,818,690	720,405	343,836,802	576,660,210	1917-1918
17,747,684	43,805	446,519,440	697,042,212	1918-1919
89,297,191	47,115,535	346,612,955	785,869,611	1919-1920
40,504,855	109,997,655	16,997,544	528,618,199	1920-1921
16,596,850	97,950,645	1,544,250	463,652,436	1921-1922

* Includes the special advances to railways in Column 2.

Generally speaking, the revenue before the war met the current and capital outlays, including railways and subsidies paid to the provinces, and if this practice had been continued during the war any surplus above these expenditures would have been available for the conflict. Expressing the total revenue—80% of which was raised by taxation—and the total expenditure outside of direct war and demobilization expenditures in millions of dollars, the surplus revenue available in each year was:

Year Ending—	1915	1916	1917	1918	1919	1920	1921	1922
Total Receipts..	133.1	172.1	232.7	260.8	312.9	349.7	436.3	382.3
Total Expenditures Exclusive of War	187.3	173.5	191.7	221.4	250.6	440.4	511.2	462.2
Surp. Available for War	—54.2	—1.4	+41.0	+39.4	+62.3	—90.9	—74.9	—79.9
War Expenditure	60.8	166.2	306.5	343.8	440.6	346.6	17.0	1.5
Percentage of War Met by Surplus	Def.	Def.	13.4%	11.5%	14.1%	Def.	Def.	Def.

To those who have not realized that posterity has been saddled with the war cost, these figures will present some startling results.

(1) In only three of the years under review was any of the war expenditure met by surplus revenue.

(2) During the period from 1914 to 1919 there was a surplus of only 87.1 millions to meet war expenditures of 1,317.9 millions or 6.61%.

(3) During the period from 1914 to 1921—roughly the period of war and demobilization—there was a deficit of about $78,500,000. In other words, not a dollar of the total war expenditure of $1,681,500,000 in that time was met by surplus. The whole amount had to be met by public loans.

(4) If it is considered that the outlays for railways in 1921 and 1922 should be excluded as expenditures properly met by borrowing, it will be found that there was a surplus of $77,100,000 to meet the war expenditures of $1,681,500,000 or 4.58%. That is, under the most favorable analysis, Canada met only about one-twentieth of the war cost out of current revenue.

Admitting the difficulties of raising taxation in Canada, such a result of our war-time financial policy is disappointing and serious. The United Kingdom and the United States did much better. With taxation at an apparent maximum, with uncontrollable expenditures such as pensions and interest eating as quickly as railway deficits at government receipts, with our national debt constantly mounting and with the realization that our delay in raising taxes during the war meant financing the conflict by borrowing straight, it might seem that release and relief from such a condition would be long and painful. Yet no vigorous and constructive plan has been advanced to get us out of the morass.

In the next article, which analyses the national debt, some of the fundamental principles which should rehabilitate our finances will be laid down.

What do Canadians think of C.P.R?

Figures showing great increase in stock here; one of the features in the new issue of Greenshields Review.

A copy will be sent on request.

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In the Final Analysis *Earnings*

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Canada and the Paper Industry

Speaking to members of the American paper industry, Dr. H. P. Baker, secretary of the Paper and Pulp Association, prophesied Canadian control of the entire newsprint industry of the continent. The industry in the United States is now dependent on Canada, and action by this country to protect its interests cannot be forgone. He says:

"Within a year or two Canada will be producing more newsprint than the United States. It is entirely within the bounds of probability for us to look forward to an export tax on Canadian newsprint as soon as Canada feels she has the phase of the industry on this continent well under control. Such a tax has already been suggested in Canada. If reports from trade journals are accurate, Canadians are now considering following up their successful efforts to control the newsprint industry of the continent by similar campaigns to control other branches of the paper industry."

The efforts of Frank Barnjum, New Brunswick timberman, to awake the people of Canada to the peril of rapid disappearance of their timber assets are slowly bearing fruit, says the Toronto Mail and Empire, which continues:

Mr. Barnjum says that all the ministers of the Government admit, privately, the coming of a timber crisis, but they will not take action, officially, to safeguard the country. He wants an export tax, or prohibition of export, of pulpwood, cut from private lands. Quebec, New Brunswick and Ontario now prohibit the export of pulpwood cut from Crown lands, but American capital has been busy acquiring control of privately owned lands. The Canadian pulp and paper companies are largely controlled by American capital now. They would not be benefited by general restriction of export of pulp timber, because their costs of manufacture in Canada are on the whole, lower than those of competing producers in the United States. But the people of Canada has a right to some benefit from the exploitation of their timber resources. Pulpwood ought not to leave Canada except as finished paper. It is only fair that the people of this country, now wanting more industry to help meet heavy taxes, that their raw materials should be of profit to them.

If Ontario were independent of Pennsylvania anthracite, Canada's hand on the pulpwood situation would be stronger. We have surplus electric power that is being exported to the United States. We have iron ore that could be utilized if need be. We have timber. We lack oil and coal in central Canada. The reason why some large measure to make Alberta coal available in Ontario is so vital is not merely the supply, but the independence, the free hand it would give us, to regulate other matters of policy of vast importance to us as a young and growing country.

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Quebec Paper Mills Financing Progresses

According to Mr. R. W. Barclay, president of the Western Quebec Paper Mills, Limited, who is also president of the Western Quebec Power Company, the financing of the Western Quebec Paper Mills at St. Andrews, Que., is progressing rapidly. This company is issuing bonds which are guaranteed as to principal through insurance and which have other features which make them particularly attractive to the investor because of their elements of safety.

The preparations for the opening of the plant are progressing but it is not expected that the mills will be producing before October.

NEWS AND VIEWS ABOUT BONDS

NEW ISSUES BRING MANY BIDS; PRICES ARE UNCHANGED

Dealers Report Steady Demand From Private Investors—Trading Dull.

Little change in the bond market is recorded during the week. Dealers report some strengthening in the demand but this is spotty. There is evidence that investors are exercising care in making selections and are taking only bonds that are offered close to the market. Victory bonds are slightly higher but there is no indication of a general rise in prices. Trading is dull, as dealers are buying largely to satisfy the demands of their clients.

A number of new issues were offered and as high as eighteen bids were received on some of them.

An issue of $3,155,000 20-year five-per-cent. bonds of the Province of Saskatchewan, payable in Canada and New York, were awarded to a syndicate headed by Aemilius Jarvis & Co. The other members of the syndicate are Hallgarten & Co., Cyrus Pierce & Co. and Harriman & Co. The price paid was 95.09, and at this figure the money is costing the Province of Saskatchewan 5.465 per cent. in New York. The bonds are dated June 15, 1923, maturing June 15, 1943, with interest payable semi-annually, June and December 15, in Regina, Winnipeg, Toronto, Montreal and New York.

Bids were called for on an alternative basis for bonds payable in United States, and for bonds payable in Canada.

The bids were:

	U.S. Bonds
A. Jarvis & Co., Hallgarten & Co., Cyrus, Pierce & Co., Harriman & Co.	95.09
Dominion Securities Corp.	94.71
Wood, Gundy & Co., National City Co., Harris, Forbes & Co.	94.18
A. E. Ames & Co., Continental & Commercial Savings & Loan, Blythe, Witter & Co., Guaranty Co.	93.91
	Can. Bonds U.S. Terms
Wood, Gundy & Co., A. E. Ames & Co., National City Co.	92.98

A bond issue of St. Lambert, Que., for $115,000, bearing interest at 5½ per cent. for 15 years, was awarded to L. G. Beaubien & Co., Ltd, at 99.08.

The bids submitted were:

L. G. Beaubien & Co.	99.08
Municipal Debenture Corp.	98.77
Rene T. Leclerc, Inc.	98.53
Credit-Canadian	95.00

The tender of Dominion Securities Corporation, Limited, for an issue of $100,000 Memorial Hospital 30-year debentures, bearing interest at 5 per cent., was accepted by the City of St. Thomas. The offer accepted was 97.03. Alternative bids were called at 5, 5¼ and 5½ per cent. rates, 18 firms tendering. At the price paid the money costs the city 5.27 per cent. The bids were:

	5%	5¼%	5½%
Dominion Secur. Corp.	97.03	99.62	102.45
McLeod, Young, Weir & Co.	96,77	99.532	102.15
Gairdner, Clarke & Co.	96.673	99.073	101.833
A. E. Ames & Co.	96.439	98.839	
Nesbitt, Thomson & Co.	96.28	98.66	101.33
Dominion Bank	96.26	99.07	101.60
A. Jarvis & Co.	96.23	98.97	101.71
Dyment, Anderson & Co.	96.12	99.00	101.56
R. A. Daly & Co.	96.039	98.59	101.339
Murray & Co.	95.81		100.87
A. D. Morrow & Co.	96.789		101.123
Matthews & Co.	95.774	98.563	101.152
C. H. Burgess & Co.			101.13
Bain, Snowball & Co.	95.537	98.507	
Wood, Gundy & Co.	95.31		100.81
Bell, Gouinlock & Co.	95.21	98.09	100.82
W. C. Brent & Co.			100.781
Municipal Bankers Corp.	94.87	97.618	100.367

The town of Cornwall sold an issue of $100,000 5½-per-cent. 30-year installment bonds to Gairdner, Clarke & Company at 101.833, the money costing the town 5.33 per cent. The tenders received were as follows:

Gairdner, Clarke & Co.	101.833
Dyment, Anderson & Co.	101.618
A. E. Ames & Co.	101.33
Nesbitt, Thomson & Co.	100.117
A. Jarvis & Co.	101.31
Bain, Snowball & Co.	101.082
R. A. Daly & Co.	101.039
Wood, Gundy & Co.	100.787
Matthews & Co.	100.77
Municipal Bankers Corp.	100.367

An issue of City of Sherbrooke, Que., Roman Catholic school bonds were awarded to McLeod, Young, Weir and Company at 100.53. The bonds are 20-year installments bearing interest at 5½ per cent. and at the price paid the cost to the city is 5.44 per cent.

The bids were:

McLeod, Young, Weir & Co.	100.53
Nesbitt, Thomson & Co.	100.117
Municipal Debentures Corp.	99.67
A. E. Ames & Co.	99.215
Rene T. Leclerc	99.137
Dominion Securities Corp.	99.137
L. G. Beaubien & Co.	99.11
Credit Canadian	96.28

Matthews & Company were awarded a block of $37,000 town of Sudbury 5½-per-cent. 20-equal-annual-installment debentures at a price of 97.09. The money is costing the municipality approximately 5.85 per cent. Wood, Gundy & Co. submitted a bid of 96.33. Other bids are not yet available.

J. M. Robinson & Sons, Limited, were awarded the issue of $35,000 20-year 5-per-cent. City of Moncton bonds, their tender price being 97.88.

The bids were as follows:

J. M. Robinson & Sons	97.88
Thomas Armstrong & Bell	96.75
Bell, Gouinlock & Co.	95.24
Johnson & Ward	96.68
A. Jarvis & Co.	96.035
Central Trust Co.	97.643
Eastern Securities	95.57

Four bond issues of the Town of Thorold were sold to C. H. Burgess & Company at 102.12. They bear interest at 6 per cent. and consist of $20,192 15-year installments, $6,065 11-year installments, $4,679 15-year installments and $5,000 10-year installments. The tenders were:

C. H. Burgess & Co.	102.12

MAY BOND SALES

Bond sales during the month of May amounted to $22,279,363. Of this total, $22,079,363 was raised in Canada and $200,000 in the United States. Total for the five months ending with May was $153,757,397. Following is a list of the sales for the month and for the five months:

Where Sold	
Government	$
Provincial	92,000
Municipal	6,212,363
Corporation	15,975,000
Total for May	$22,279,363
In Canada—	
Provincial	$ 92,000
Municipal	6,012,363
Corporation	15,975,000
	$22,079,363
In United States—	
Municipal	$ 200,000
Year to Date	
January	$37,890,162
February	51,759,746
March	23,609,657
April	18,218,469
May	22,279,363
Total	$153,757,397

Wood, Gundy & Co.	101.53
Matthews & Co.	100.41

The Town of Fergus sold an issue of $14,000 ten-year installment bonds bearing interest at 6 per cent. to Gairdner, Clarke & Co., on a 5⅝ per cent. basis, the price being 101.77.

Tenders received by the town were:

Gairdner, Clarke & Co.	101.77
Matthews & Co.	101.75
C. H. Burgess & Co.	101.46
Jas. Beattie	101.195

"BARGAINS" AT FIVE TIMES THEIR VALUE

Firms Selling European Bonds Still at Their Work Painting Bright Pictures

From Our Own Correspondent

MONTREAL.—German and Austrian bonds, it seems, are still on the bargain counter, at least the firms that have been saying so for the past five years are still trying to make the public believe so. When an Austrian bond of 1,000,000 kroner could be bought for $5,000 it was a bargain; when it could be bought for $1,000 it was a bargain; now the firm of C. M. Cordasco and Company of this city are offering the bonds, issued by the City of Vienna, at $50 apiece and they still call them a bargain. "At this stage," their offering circular blandly proceeds, "we strongly recommend substantial commitments in these bonds." The circular does not mention that this firm has been offering similar bonds all the way down the scale from the higher levels to "this stage." They do not give a record of the profits—or losses—already earned—or suffered—by those who have bought these bonds from them in the past.

It may be hard for the uninformed to believe, but the truth is that 1,000,000 kroner City of Vienna 5-per-cent. bonds are not a bargain at all at $50. Austrian exchange is such a nebulous thing the banks do not like to quote but it is possible to buy about 70,000 kroner for one dollar. For $50 one could buy 3,500,000 kroner. Making allowance for the fact that a 5% City of Vienna bond probably is not worth anything near par in its own country, the 1,000,000 kroner bargain is not worth much more than about $10 laid down in Canada.

The kroner has to rise to about four or five times its present height before it would be possible for the purchaser of the bargain bond to get out at what he paid for the "security."

UNLISTED BONDS

	Bid	Asked
Abitibi Gen. Mtge. 6's 1940	96½	97½
Algoma Steel 5's 1963	44	48
Amer. Sales Book 6's 1927	98	..
Ash. Hardware 5 p.c. 1928	91	..
Brompton P. & P. 8% 1941	109	..
Canada Salt 7's 1941	99	102
Wm. Davies 6's 1926	104	..
Dom. Iron Steel 5's 1930	80	81½
Dunlop Tire 6's 1927	98½	..
Dom. Sewer Pipe, 6's 1927	94½	..
Dom. Mfg. 6's 1927	82	87
Eastern Car 6's 1952	93½	..
Gord. Iron & Fare 6's 1927	..	40
Harris Abattoir 6's 1928	99	..
H. Smith Paper 7% 1941	101	102
King Ed. Hotel 7's 1933	87	89
K. & S. Tire 7's 1935	75	80
L. Superior Paper 6's 1941	103	..
Marcus Loew's 8% notes	..	94
Mattagami Pulp 6's 1937	62	..
Mattagami Pulp 7% Deb.	35	38
Morrow Screw 6's 1931	84	..
Neilson's Wm. 6's 1933	97	..
N. S. Steel 6% Deb.	88	90
Stan Clay Pro. 6% 1942	..	90
Western Power 5's 1949	85	86
Whalen Pulp 7% Deb. 1932	63	65
Burns P. 1st Mtge. 6's 1924	104	..
Simpson Robt. 5's 1952	85	..
Mount Royal 8% Deb.	87	89
Spanish River 8's 1941	106	107½

MOST NEW ISSUES OF MORTGAGE AND INDUSTRIAL BONDS

Various Industries Represented—General Tendency of Yields is Lower.

A prediction made some months ago that the Canadian market would witness the flotation of a considerable number of industrial issues, is being fulfilled. With the rising rates paid for money during the war and the great publicity given government bonds, many Canadian investors who had formerly bought mortgages and real estate, became bond buyers. Following the slump in security values in 1920, bond firms confined their business largely to government and municipal issues. The prices at which these bonds were sold gave investors returns which made them especially attractive in comparison with other available forms of investment. The still higher rates which were made necessary on industrial and corporation bonds deterred many companies from seeking loans.

When the yields on government bonds began to fall, investors, both individual and institutional, bought heavily, especially in long-term issues. For a time the prospects of securing bonds for long periods, even though they bore a lower rate of interest than mortgages, forced a continuance of the demand. However, when the yields went below 5½ per cent. a partial change of sentiment was noticed. Loan and trust companies began actively seeking good mortgages, although forced to continue purchasing long-term bonds, the insurance companies sought to place a larger part of their money in mortgages, and private investors began to seek places where higher rates prevailed, with comparative safety of principal. Two classes of bonds—industrial and real estate bonds—seemed to meet the requirements. In most cases, issues of this nature are secured by a mortgage on the property of the company. Where industrial bonds are issued a record of success and earnings of the issuing company over a period of years is usually required, since the value of the mortgaged property depends largely on its being successfully used. On the other hand, the real estate bond is commonly issued to raise money for erecting a building for rental purposes. This latter form of bond has been sold widely in the United States and has gained some favor in Canada. Its essential difference from an industrial bond lies in the fact that the revenue out of which bond interest is paid is derived from rentals rather than business operation.

Some of the Issues

The issues made to date include various types of business and security, some of preferred stock and others of bonds. A general tendency toward lower rates is clearly in evidence. Two issues which attracted considerable attention were those of the King Edward Hotel in Toronto and the Mount Royal in Montreal. The former was 8-per-cent. preferred stock, and the latter 8-per-cent. bonds, which were convertible into preferred stock at the option of the company. Both carried a bonus of common stock.

At a later date bonds of the Professional Offices, Limited, were offered by a Toronto firm to yield 7 per cent., the proceeds being used to build an office building in Toronto. About the same time an issue of bonds of the Ogilvie Realty Corporation was offered, to yield 6½ per cent., the bonds being secured by a mortgage on the building of a departmental store in Montreal. Another issue to finance the Insurance Exchange building in Montreal was made about the same time.

Issues This Year

Since the beginning of 1923 the number of new issues of this type has increased. One for $2,000,000 to provide for the erection of the new Drummond apartment buildings in Montreal was offered to yield 6.60 per cent. and, it is reported, was readily absorbed. In the industrial class preferred stock for over $1,000,000 was offered on a 7.07 per cent. basis and sold quickly. At the present time a number of issues are being offered, among them bonds of the Stewart Terminals, Limited. This company will use the proceeds to build a terminal elevator at Port Arthur and the bonds are being offered to yield from 6.50 to 6.83 per cent. Bonds of the West Kootenay Power and Light Company are being sold on a 6-per-cent. basis, those of the Gurney Foundry Company at 6½ per cent., and an issue of the Keefer Realty Corporation to finance the construction of an office building in Montreal to yield slightly over 6½ per cent. These are but a few of the issues which illustrate the present tendency, and dealers report that a number of other issues are now under consideration. With a continuance of the present rates there is reason to believe that investors will continue to look with favor on similar securities.

BOND MOVEMENTS OF THE WEEK

Week Ending June 5th

BONDS—	Int. Rate	Due Year	Yield	Range High	1922 Low	Range High	1923 Low	Latest Ask	Price Bid	Week High	End Low
Canada Bread	6	1941	6.00	99	88½	100	96	—	100	100	99½
Canada Cement	6	1929	5.71	100½	94	102	100	—	101	101½	—
Dominion Iron	5	1929	6.42	94	82½	93¾	92½	93	92½	92¾	92½
Montreal Sept.	6	1923	6.50	102	99	100	99¾	—	99⅞	99¾	—
N. S. Steel	5	1959	5.76	90	78½	92	87½	88½	88	88½	—
Penmans	5	1926	6.26	94¾	90	97	93¾	—	96¼	96	—
Porto Rico Rlys.	5	1936	7.08	83	73½	82	82	—	84	82	—
Quebec Rly.	5	1939	7.01	87¼	63½	82	69	82	80	81½	80½
Wabasso	6	1949	6.28	94	89½	96⅜	90¾	96¼	—	96¼	—
Wayagamack	6	1951	7.12	88¾	71¾	86¾	80½	86¼	—	86¼	86
West Kootenay	6	1940	6.08	96	89½	100	98	99¼	—	99¼	—
War Loan	5	1925	4.70	96.30	96.10	100.90	99.10	100.80	100.70	100.70	100.45
Do.	5	1931	4.78	99.60	96.25	101.80	99.80	101.60	101.50	101.60	101.30
Do.	5	1937	4.75	101.50	99.50	103.30	102.00	102.65	102.55	102.80	102.35
Victory	5½	1923	4.28	100.70	98.75	100.95	100.25	100.70	100.60	100.60	100.30
Do.	5½	1924	5.04	100.75	98.00	101.40	100.25	100.65	100.55	100.75	100.40
Do.	5½	1927	4.70	102.70	99.75	103.50	102.35	103.30	103.20	103.25	103.05
Do.	5½	1933	4.84	104.35	101.25	106.70	104.40	105.50	105.40	105.35	105.00
Do.	5½	1934	5.14	101.45	98.80	103.90	101.30	103.20	103.10	103.15	102.80
Do.	5½	1937	4.76	106.25	103.00	108.40	106.50	107.75	107.65	107.85	107.60
Do., Renewal	5½	1927	5.00	101.10	99.40	102.80	101.00	102.25	102.00	101.80	.....
Do., Renewal	5½	1932	5.16	101.10	99.70	103.00	101.00	102.65	102.55	102.30	102.10

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Sydney May Change to Yearly Audit System

The situation in regard to alleged discrepancies at Sydney, N.S., is not yet cleared up. It was alleged some time ago that the city's books do not balance. An audit was subsequently made by local bank men and most of the shortages were accounted for as being due only to faulty bookkeeping. A demand for an audit of the 1921 books by a chartered accountant is still before the council and will be decided on to-day.

It appears that a system of monthly audits has been in force, and it is proposed to substitute a yearly audit by a chartered accountant.

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CIVIC AND PROVINCIAL FINANCE

PROVINCIAL TAXES DOUBLED IN PAST SIX YEAR PERIOD

That is the Penalty of Widening Functions of Government

From Our Own Correspondent.

MONTREAL.—There was a time when provincial taxes were not a matter that pricked the consciousness of the average Canadian. The taxes existed but they were not felt by the ordinary man at all. Provincial revenues were derived largely from the Dominion government subsidy, from the sale of provincial lands, from stumpage fees on forest-cutting and in similar ways. Now there is not a province in Canada where provincial taxes have not made their presence felt. British Columbia taxes individual incomes. Ontario taxes real estate transfers; the prairie provinces tax undeveloped lands; all the provinces tax automobiles and succession duties; some of them tax railways and all of them tax corporations. The annual budget speeches of the provincial treasurers have been turned into most clever and ingenious exhibitions of originality of thought in the creation of new forms of taxation.

Taxes Increased Eight-Fold

Back in 1901 all the Canadian provinces put together only spent $14,000,000. In 1921 they spent exactly eight times as much, or $112,000,000. In 1922 the figure was probably higher. Expenditures for one province are missing but the other eight managed to increase their expenditures in 1922 over 1921. There were a few individual declines but the total increased. The increase has come very rapidly during recent years. From 1917 to 1922 the total expenditures of Canadian provinces almost exactly doubled —from $59,000,000 to the figure of close to $118,000,000 that the final record for 1922 is likely to show.

In the same period the population of Canada did not double; nor did the purchasing power and wealth of the individual taxpayer double. There is the rub. The cost of being governed has risen without a corresponding increase in the individual's resources from which he pays the bill.

The Per Capita Figures

Perhaps it would be fairer to take these figures on a per capita basis and thus allow for such minor increases in population as the various provinces have noticed during the past few years. In 1917 the per capita provincial expenditures of all Canada were $7.12. In 1921 they were $12.85. In 1922 there is little doubt they topped the $13 mark at least.

The comparative figures for each Canadian province were as follows:

	1917	1921	1922
Prince Ed. Island..	$5.20	$7.90	$7.52
Nova Scotia	4.58	8.89	8.83
New Brunswick ...	5.95	8.70	7.51
Quebec..	4.42	6.02	6.00
Ontario..	5.93	9.77	12.07
Manitoba	11.99	16.50	12.50
Saskatchewan	8.24	16.00	16.07
Alberta..	12.94	22.30	....
British Columbia .	15.48	29.05	30.11

The averages have been compiled by THE FINANCIAL POST from the public accounts of each of the provinces and in compiling the 1922 averages a moderate increase over the 1921 census figures of population has been allowed for.

Why Taxes Have Increased

There are several reasons for these increases. One is the rising cost of labor and commodities. This can be blamed for much of the increase up to 1920. After that period costs began to decline and rising costs of commodities and labor can no longer be held up as the evil ogre behind the new taxes. The more enlightened modern views on such subjects as education, sanitation, health, care of the mentally deficient, correction of evil doers, and administration of justice account for much of the difference. That is reason No. 2. There is a third reason and an important one that provides much food for thought. One reason that provincial expenditures have risen is because provinces have taken it upon themselves to perform many functions that in the past were left to private individuals to carry on. The government is looked upon not only as the central fount of authority but the paternal guardian of the public against capitalism and the provider of all public necessities. The green hills of state socialism have proven something of a mirage to lead the public into a swamp of new taxes.

Which way will the tax curve move? It has moved steadily upwards in nearly every province, in some less than in others. Will 1923 see a dip in public expenditures in every province? The indications are that in two or three provinces it will. In Manitoba, Prince Edward Island, Nova Scotia, New Brunswick and Quebec there were evidences in 1922 that the downward movement of the tax curve is imminent.

Jersey tax commission says railroads in state will pay $521,538 more taxes than in 1922. Assessments have been increased $4,601,694 to $418,840,580, on which return will be $15,229,585.

Financing Completed for New Tissue Mill

From Our Own Correspondent.

MONTREAL.—The bond issue, recently offered, of the Western Quebec Paper Mills has been almost entirely subscribed, it is stated, and construction will commence almost at once on the new mill for the company. It is hoped to be producing tissue paper by the end of the year. The capacity of the finished mill will be about seven tons per day.

Prince George Will Buy Debentures for Fund

Prince George, a city in northern British Columbia, is in the market for some of its debentures, the city clerk and treasurer, D. G. Tate, informs THE FINANCIAL POST. The city has debentures maturing in 1925, 1928, 1929 and 1930 and these are the issues the city is ready to purchase.

Prince George has a gross debenture debt of $426,000 and a sinking fund of $84,177. The population is estimated at 2,500.

Fort Alexander Railway Will Float Bond Issue

It is reported that J. D. McArthur, Winnipeg, head of the Fort Alexander Railway Company, has closed negotiations with a Montreal syndicate for the flotation of a $3,000,000 bond issue, and work on the line from Beconia, on the Canadian National's Grand Beach Railway, to Fort Alexander, where pulp mills are to be erected, will be rushed.

Natural Gas Supply Planned for Edmonton

From Our Own Correspondent.

EDMONTON.—Work is about to begin on the laying of the pipe line that is to bring natural gas into this city from the Viking field, some eighty miles to the east. The Northern Alberta Natural Gas Development Company has the franchise, and a New York engineering firm has been awarded the pipe line contract. Steel has been bought from Canadian, American and Scottish mills.

Under the terms with the city the company is required to spend $1,000,000 in development within fifteen months. The price of the pipe is included in this, leaving in the neighborhood of $300,000 for labor to be paid out within the specified time.

Edmonton Passes By-laws Authorizing Bond Issues

From Our Own Correspondent.

EDMONTON.—Four money by-laws that have been submitted to the burgesses of this city on previous occasions, in part, and several times turned down, have now been passed with safe majorities. They total $435,000 and are for improvements at the Royal Alexandra hospital, new isolation hospital, widening of a block of street, and erection of school buildings. The debentures represented in these items will be for long-term periods of thirty and forty years but will probably not be put on the market until autumn. Work will meanwhile be proceeded with on the several schemes, and in the case of the school buildings provided for under a school board program, an earlier issue of the debentures may be arranged. This alone takes $295,000 of the total.

The passage of the by-laws is taken as evidence of renewed confidence on the part of the citizens in Edmonton's financial soundness. For the past few years it has been a difficult matter to get any expenditure of funds past the polls because of the somewhat critical condition into which the civic finances had been brought by a combination of circumstances, and high taxes had the effect of almost solidly uniting the ratepayers against any further outlays until things cleared up. Now that the tangle has been straightened out, the municipal affairs placed on a really improved basis, and proof of a change for the better manifested in slight reductions in taxation, the public temper has taken a more generous swing again, with the result that these works, which come under the strictly necessary class, have been authorized for immediate construction.

BOND DEALERS' CONVENTION

The annual convention of the Bond Dealers' Association of Canada will be held at Winnipeg on June 11, 12, 13. It is understood that some constructive suggestions for unifying the financial statements of municipalities will be put forward.

ENGLISH ELECTRIC BUSY

The plant of the English Electric Company at St. Catharines is witnessing a speeding in business. This company has been going through a dull period but it is reported that operations are being pushed forward on a full time basis at present.

MUNICIPALITIES OF WEST NOW IN BETTER SHAPE

Taxes Being Better Paid Following Good Crop Year

From Our Own Correspondent.

WINNIPEG.—Upon the debt-paying capacity of the 1923 crop will chiefly hinge the possible further adjustment of the West's economic position. Western communities are in better financial shape this year than twelve months ago. A clearer cut idea may be obtained from the return of the chartered banks to the government. At November, 1912, these loans amounted to $44,076,000, and by November, 1920, the total had accumulated to $65,400,000. On the first of May, 1922, the total of $80,900,000 indicated a reduction of approximately $5,000,000. On the first of April, 1923, the total had been further reduced to $70,479,000. Western Canada is generally credited as being responsible for the bulk of this total.

Executive officers of the Canadian Bank of Commerce here in Winnipeg state that as a result of extended observation they have reached the conclusion that 80 per cent. of the farmers in Manitoba and Saskatchewan, as the result of last year's crop, are now above the line of trouble. Of this 80 per cent. a considerable number have deposit accounts with a bank, their farms free of debt and their wealth increasing. The remaining 20 per cent. are still in financial difficulty because of the accumulation of debts induced by two and three years of crop reverses—in some instances as much as six years. This handicap has proven too much for even competent and hard-working farmers in these areas, though to the credit of their courage the most of them have not yet given up. Their borrowing powers at the banks are limited.

Tax Arrears Reduced

With reference to the position of Western municipalities, the Bank of Commerce has recently examined the records of twelve selected at random and it was found that the arrears of taxes was 51 per cent. less than a year ago.

The response of the Western ratepayer to his community tax bill will, of course, entirely depend on the ensuing crop. Given a good crop at fair prices, probably 75 or 80 per cent. of the farmers of Western Canada will free themselves of debt this year, and the result unquestionably will stimulate municipal affairs.

There are many outstanding instances where Western municipalities have put their house in order, but few more interesting than the showing of the city of Edmonton, recently made in regard to its tax collection. The city comptroller states that the percentage of collections in the past year was 80 per cent. compared with 70.7 per cent. of last year, and this notwithstanding discontinuation of a discount system formerly in vogue. The current taxes collected amount to $2,695,777, while arrears were $760,432, or an aggregate of $3,456,210. This collection was actually $90,029 in excess of the actual levy for 1922, which was $3,366,180. Undeniably Edmonton's return says a good deal for the city managership system which seems to be increasing in public favor in the West.

Tenders and By-Laws

TENDERS WANTED

June 27, Hawkesbury.—$19,043, 6%, 20-year serial bonds. J. O. Bertrand, Clerk-Treas. (See announcement on page 16.)

June, 9, Red Deer.—$10,000, 7%, 10-ins. debentures. A. T. Stephenson, Sec.-Treas.

June 12, Sherbrooke Protestant School Com.—$100,000, 5½%, 29-year bonds.

June 26, St. Francois Xavier de Chicoutimi, Que.—$400,000, 5% or 5½%, 27-year bonds.

June, Church and Ward of St. Francois Xavier de Chicoutimi.—$250,000 5% or 5½%, 30-year bonds.

June 23, Prince Rupert, B.C.—$78,500, 6%, 15 and 27-year bonds. D. J. Matheson, Treasurer.

June 21, Fort Frances.—$59,962, 6% 20-year debentures. H. E. Marr, Treasurer. (See announcement on page 16.)

SASKATCHEWAN

List of authorizations granted by the local government board from May 14 to May 28, 1923.

Langbank, $1,500; Dixie, $1,500; Bernadine, $1,500; Moose Jaw, $25,000; Hutton, $3,700; Delisle Town, $7,500; Mervin, $3,700; Wallasey, $3,500; Craneshill, $3,900; Knox, $1,700; MacNutt, $2,000; Maynard, $1,500; Devonshire, $700; Lawtania, $4,000; Mathyas, $1,000; Farnham, $3,000; Pathlow Heights, $4,200; Regina Beach, $3,000; Sleepy Hollow, $3,200.

Telephone—Scotsguard Pioneer, $1,850.

Town of Gull Lake, $14,000.

Debentures reported sold to the local government board from May 14 to May 28, 1923.

Schools.—Heiburg, $1,000, 8-years 7%, Biggar Sinking Fund; Mount Everest, $3,000, 10-year, 7%, Regina Brokerage & Inv. Co.; Nordra, $2,115, 10-years, 6½%, Regina Pub. S. S. Fund; Naicum, Assiniboia, $15,000, 20-years, 7%, T. C. West, Assiniboia; Blairlogie, $3,500, 10-

Montreal Catholic School Commission

5% Bonds
Maturing March 1st, 1943
Price: 99.50 and interest to yield about 5.04%

5½% Bonds
Maturing February 1st, 1943
Price: 103.70 and interest to yield 5.20%

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 74, St. Peter St.
(ESTABLISHED 1901)
61

DOMINION STORES, LTD.

8% Cumulative Class "A" Preferred Shares.
Price: 100.00, Carrying a 25% Bonus of Common Stock.

This company is the largest retail distributor of groceries in Canada operating 240 stores. Plans call for over 25 additional new stores in 1923.
Sales in 1922 increased over 47 per cent. and earnings over 72 per cent.
Dividends paid regularly on preferred shares, and common now paying $1.00 per year.
Chain stores have proven an exceptionally profitable investment, and we strongly recommend these securities.
A special circular we have prepared will be mailed upon request.

HOUSSER WOOD & CO.
INVESTMENT BANKERS
10-12 KING ST. E. TORONTO

We Recommend

WESTERN QUEBEC PAPER CO.

First Mortgage 6½% 25-year Gold Bonds (Insured as to principal by the Travellers Life Assurance Co. of Canada) at 97 and interest to yield 6¾%.

BALFOUR, WHITE & COMPANY
Limited
Investment Bankers,
136 St. James St.,
MONTREAL.

BURNETT, PORTEOUS & CO.
STOCK & BOND BROKERS.
MEMBERS MONTREAL STOCK EXCHANGE
17, St. JOHN STREET, MONTREAL,
TELEPHONE MAIN 8385-6

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
CONTINENTAL LIFE BUILDING
ADELAIDE 8293 - TORONTO

STOCKS BONDS

S. H. POWELL
LIMITED
4 Hospital St.
Main 1341, MONTREAL

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
May 22.	Jonquiere, Que.	Municipal Debentures Corp., Toronto	5½%	26-years	$46,200	98.36	
May 22.	Welland, Ont.	C. H. Burgess & Co., Toronto	5½%	10 & 20-ins.	28,000	100.44	
May	Duncan, B.C.	Gillespie Hart & Todd, Victoria and Pemberton & Son	6 %	15 & 30-years	54,200		
May	Fergus, Ont.	Gairdner, Clarke & Co., Toronto	6 %	10-ins.	14,000	101.77	5.62
May 31.	Moncton, N.B.	J. M. Robinson & Sons, Halifax	5 %	20-years	35,000	97.88	
May 28.	Saskatchewan Schools, etc.	Various			42,440		
June 5.	St. Thomas,	Dominion Securities Corp. Toronto	5 %	30-years	100,000	97.03	
June 4.	Sudbury, Ont.	R. C. Matthews & Co., Toronto	5½%	20-ins.	37,000	97.09	5.85
June 4.	Thorold, Ont.	C. H. Burgess & Co, Toronto	6 %	10, 11 & 15 ins.	35,000	102.12	
June	Cornwall	Gairdner, Clarke & Co., Toronto	5½%	30-ins.	100,000	101.833	5.33
June	Sherbrooke P. S. Schools	McLeod, Young, Weir & Co., Toronto	5½%	20-ins.	50,000	100.53	5.44
Provincial							
June 5.	Saskatchewan	A. Jarvis & Syndicate	5 %	20-yrs.	3,155,000	95.09	5.465
Corporation							
May	Camaguey Electric Co.	Royal Securities Corp., Montreal	6½%	30-years	1,500,000		

The Leading Life Company of the Dominion

Assurances in Force $630,000,000
Assets - - - $170,000,000

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE - MONTREAL

WHAT DOES THE WORD "MUTUAL" REALLY MEAN?

As applied to a Life Insurance Company, it means that the entire assets and revenues of the Company are vested in the Policyholders.
The word "Mutual" means that the Directorate is responsible to the Policyholders only, which condition necessarily results in exceptionally careful administration.
It means that the burden of household protection is lessened to the Policyholder by just the amount which would otherwise have gone to Remunerate Shareholders for the investment of their funds.
Without lessening in any way the security of the Company (whose reserves greatly exceed those required by the Government). The Mutual Feature Guarantees the Largest Amount of Absolutely Sound Protection for the Least Possible Outlay.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO, - ONTARIO
Assets $53,605,630 December 31, 1922 Assurances $246,486,654

SQUARE DEAL

Our "Square Deal" Contract will appeal to you with compelling force—one contract only—no middlemen—new and saleable "Coupon Savings" Policies. For particulars of the "Square Deal" Contract and available Territory, communicate with the Managing Director.

The NORTHERN LIFE ASSURANCE CO.
Home Office - London, Canada

The Independent Order of Foresters
Organized 1874

TOTAL BENEFITS
Paid to Members and their Beneficiaries
$78,000,000.00
Policies Issued from $500 to $5,000

G. E. BAILEY, Secretary — W. H. HUNTER, President — G. R. COTTRELLE, Treasurer

THE MACCABEES

Over $170,000,000.00 Life Insurance in Force on Legal Reserve Basis.
Over $140,000,000.00 Paid to Members and Beneficiaries.
Issued Policies on 6 Plans, $500.00 to $10,000.00. Cash Surrender, Paid-Up and Extended Insurance Values.
Liberal contract for good organizer for City of Toronto.
JAS. S. GREEN, 249-250 Confederation Life Bldg.
TORONTO, ONT.

POWER IN QUEBEC WILL BE DEVELOPED IN 25 YEARS

(Continued from Page 3)

plies part of the load of Quebec City and district, have two power stations on the Montmorency River. This River flows into the St. Lawrence seven miles below Quebec City and the Montmorency plant makes use of 208 feet of the 270 feet drop at the Montmorency Falls to obtain 4,000 h. p. The remaining sixty feet of the total descent of the falls is utilized below to supply 1000 h. p. to a cotton mill. At Natural Steps, one mile from Montmorency, the Power Company develops another two thousand horse power.

The Laurentian Power Company has a hydro-electric development at Seven Falls on the St. Anne seven miles from its mouth. The St. Anne joins the St. Lawrence at a point about thirty-one miles below Quebec on the north shore. This is a high head development, the total drop being 410 feet and the total output of 20,000 h. p. is transmitted to Montmorency and sold to the Quebec Railway, Light, Heat & Power Company.

Some New Developments

Construction has been started on several new developments during the last twelve months and the work is being actively carried on at the present time. Of chief importance, due to the size of the undertaking, is the project of the Quebec Development Co., on the Saguenay River. The Saguenay River flows into the St. Lawrence on the north shore at a point a little more than 100 miles below Quebec City. The source of the Saguenay is Lake St. John, one hundred miles from its mouth, and the elevation of the lake is about 315 feet above mean sea level. Its watershed is approximately 30,000 square miles and the area of the lake varies from three hundred and twelve square miles at the extreme low water, to four hundred and two square miles at flood times. It forms an ideal reservoir for the flow regulation of the Saguenay River. About 300 feet of the total drop from Lake St. John to tidewater takes place within 25 miles and may be concentrated at two points. It is planned to develop 400,000 horse power at the outlet of the lake, and 800,000 h. p. lower down the river, giving finally a total output of 1,200,000 horse power. Work is at present proceeding on the 400,000 h. p. plant which is expected to be delivering power in two or three years.

The Shawinigan Water & Power Company through the St. Maurice Power Co., a subsidiary company, is developing the water power at the Gres Falls and La Gabelle Rapids on the St. Maurice River, six miles below Shawinigan Falls. Work is now actively proceeding on the construction of the dam. By utilizing the total drop of the rapids and falls, which are close together, a head of sixty-five feet will be obtained, and four units of 33,000 h. p. each, will be installed, giving a maximum output of 132,000 h. p., which will be fed into the Shawinigan Company's transmission system.

Another new plant upon which construction has commenced is the Calumet Island development of the Ottawa and Hull Power & Manufacturing Company. The site is near the town of Bryson, about forty-eight miles above Ottawa on the Ottawa River. When the dam is completed a head of 60 feet will be obtained and units will be installed to give a total output of 60,000 h. p. The present plans call for completion before the end of 1924.

End of Available Development

The growth of hydraulic and hydro electric development has been rapid and continuous over the past twenty years. The yearly rate of increase has been about seven per cent. of the installed capacity per year over the last fifteen years, and the present total development is 1,070,000 horse power of hydraulic and electrical capacity combined.

At the present rate of increase the total available amount of hydraulic power which is estimated at 5.25 million kilowatts or about seven million horse power will be developed and utilized in the next twenty-nine years. As the increase in the development will in general follow the increase in the population, the developments will increase at an increasing rate and the period before the development of all the power now in sight will be therefore considerably shorter than twenty-nine years arrived at by assuming a uniform rate of increase. A careful study indicates that in twenty to twenty-five years the seven million horse power will be used up. This time might be materially shortened if any large amount of power were exported from Canada.

OSCAR HUDSON RETIRES

Interest in His Company Taken Up by Holland Pettit

Oscar Hudson, F.C.A., of the firm of Oscar Hudson & Co., chartered accountants, has severed his connection with the firm on account of his removal from the city. His interest has been largely taken up by Holland Pettit, C.A., who for many years has been an active partner in the business, which will continue under his control and management without change of name. Frederick M. Moffat, who has been associated with the packing industry of Canada for many years past, and who for some years past has been vice-president of Gunns, Limited, and recently severed his connection with that company, will become associated with the Hudson company in the management of their newly-created trustee department, which will handle assignments, liquidations, collections and incidental in-

INSURANCE FOR BUYER AND SELLER

CHURCH TO SECURE GROUP INSURANCE ON ALL MINISTERS

Scheme Provides for Flat Rate Without Medical Examination.

The extension of group insurance to cover ministers will take place if the proposed plan of the Methodist Church in Canada is adopted. The plan, which covers the entire ministerial body, has been drawn up by the central authorities of the church in conjunction with two large insurance companies and will be administered by the Superannuation Board, although it is entirely independent of the superannuation funds.

It is proposed to hold a special ministerial session of each of the twelve conferences meeting in June. At this session the plan will be discussed with a view to learning the advisability of taking a plebiscite of the ministers on it. The plan is for the insurance of every minister, say, below the age of fifty years on a straight life insurance basis, the arrangement to be carried out through the Superannuation Board with two leading insurance companies which have quoted a rate of $9 per annum per thousand for all ministers, irrespective of their ages or physical condition. This rate applies only if the general age limit is set at 50. If that limit is increased, there will be a large increase in the premium. Premjums will be paid by the ministers quite independent of the superannuation fund, and all young men coming into the ministry will be compulsorily insured if the plan is adopted.

The proposal has already been discussed by the London Conference meeting at Sarnia. A resolution was passed approving the general outline of the plan and authorizing the Superannuation Board to take a plebiscite of the ministers on it.

The group insurance plan has been used somewhat extensively by private companies insuring their employees, by labor unions to cover their members, and by other groups. In the United States its use by ministerial associations has been developed and it is reported the results are satisfactory. In such plans a general rate is struck, sometimes constant, as in this case, sometimes varying with different ages, but in practically all cases without medical examination. By securing the assurance of much business without the heavy expense of securing individual applications, the insurance company is in a position to quote a lower rate on the premiums.

As a rule the minister is a heavy purchaser of life insurance in comparison with his means. Depending on his salary for an income, he is prone to rely greatly on life insurance for the protection of his dependents. In this group the moral hazards, which are now a factor in fixing rates, are largely eliminated.

Insurance Companies in Field for Investments

A number of the life insurance companies have found their money accumulating so rapidly that they are forced to be in the market for investments practically all the time. Some report mortgage offerings to be sufficient for their demands while others find it difficult to secure good security for loans at the rates prevailing for the past year.

While they do not like to purchase long term bonds at the present prices, the necessity of spreading out their investments keeps them in the market for offerings at reasonable prices.

The Sun Life has been a heavy holder of stocks in the Illinois Traction Company. A reorganization of the company is taking place in which the preferred stock outstanding is being called in and 7 per cent. cumulative preferred stock of the Illinois Power and Light Corporation issued in its place. The payments to the Sun Life total about $30,000,000. It is stated by the president, F. B. MacAulay, that provision has been made for reinvestment of about $20,000,000 and the company is seeking to invest the balance satisfactorily.

Burglar Insurance Rates Revised by Association

The experience of the insurance companies writing burglary insurance in Canada during the past five years, appears to have been more favorable than those in the United States. In the class of risk, as in all casualty lines, the premium rates are based largely on past experience. In the United States the changes since 1917 have differed widely, but the general result has been an increase in rates of from 40 to 50 per cent. due to the greater frequency of loss through burglary and the higher values.

In Canada little change has, as yet, been made but some revisions are at present contemplated. Consideration of these is being given by the Canadian Burglar Underwriters' Association, which has, as its members, most of the companies writing this class of risk. It is not expected that large increases will be made as in the United States, but variations in the rates applying to different localities will be made. This is made necessary by the heavy losses recorded in certain districts.

K. S. Barnes and M. A. Thomson, brother of P. A. Thomson, have been elected directors of Nesbitt, Thomson & Co. Mr. Barnes is in the company's buying department for both corporation and municipal bonds. Mr. Thomson supervises the Ontario offices of the com-

Payments on Mortgages Better Than a Year Ago

The first of the appended tables, compiled by the Great West Life Assurance Company, gives the amount of monthly repayments on mortgages during the past six months, contrasted with the repayments of the same months a year ago.

Each month shows an increase over the corresponding month of the previous year.

The last month of the six (April) shows a larger percentage of increase than the average month.

Repayments of Principal

Nov.,	1921 ..	$128,882	1922 ..	$215,093
Dec.	1921 ..	150,249	1922 ..	226,052
Jan.	1922 ..	144,486	1923 ..	148,621
Feb.	1922 ..	75,913	1923 ..	107,120
Mar.	1922 ..	83,083	1923 ..	157,069
Apl.	1922 ..	94,250	1923 ..	96,693
Total same 6 mos. year ago..				$676,868
Total past 6 mos.				$950.651

The second table gives similar particulars regarding interest payments.

Mortgage Interest Repayments

Nov.	1921 ..	$108,891	1922 ..	$220,834
Dec.	1921 ..	235,077	1922 ..	313,016
Jan.	1922 ..	132,997	1923 ..	196,075
Feb.	1922 ..	69,829	1923 ..	101,241
Mar.	1922 ..	67,317	1923 ..	86,961
Apl.	1922 ...	51,968	1923 ..	96,955
Total same 6 mos. year ago ..				$666,081
Total past 6 mos.				$1,015,085

A FAMILY POOL FORMED UNDER TRUST COMPANY

Unique Plan of Providing Protection For All Time.

An incorporated company at Hamilton, capitalized at $1,000,000 with assets consisting of valuable parcels of central properties and security investments of a high order, has recently entered into an agreement with a local trust company in that city to carry on indefinitely after the death of the founders of this investment company. The agreement is in reality an incorporated pooling of family interests. There are at present but five shareholders, all are directors, but three of them, the founders, and who are brothers, are the holders of practically all the shares of the company.

As each founder director dies, provision is made in the agreement referred to for the trust company to nominate his successor on the board, and such nominee is to be chosen from the members of the board of directors of the trust company. At the death of the second founder of the company the trust company will control the majority of the shares, and at the death of the third founder the trust company, with three of its own members on the board, will control the majority of the board of directors of the investment company and from that time on the trust company is responsible for the safety of all new investments which may only be trustee investments. The other two directors will always be appointed by the shareholders.

Provision is made in the agreement for the remuneration to be paid the trust company, which is based upon the annual revenue of the company. No restriction is placed upon the transfer of shares from time to time by bequest, and provision is made for paying dividends and building up the reserve fund on a 50-50 basis of the net annual revenue.

The trust company, when in full control, will appoint the manager for the investment company, such manager to be selected preferably from among the shareholders who are descendants of the founders. Provision is made for appeal to the senior county judge to arbitrate and decide any matter which may arise between the shareholders and the controlling trust company.

The agreement is unique and as far as humanly possible should provide for the continuation of the investment company indefinitely, safeguarding to a high degree the interests of the future shareholders for all time.

Changes Affecting the Refunds of Sales Tax

In connection with the change in the budget resolutions of Mr. Fielding which makes the increase in the sales tax effective from January 1, next, a change is also made in the date when refund of sales tax is granted as outlined in the following amendment:

"A refund of the amount of the said consumption or sales tax may be granted in the following cases:

(b) To a licensed manufacturer or producer or a licensed wholesaler or jobber in respect of goods on hand on the '1st of January, 1924,' and which are to be used in the production of articles for sale, no refund to be allowed in respect of goods on hand after 'the 31st of March, 1924.'"

Another amendment has to do with deductions on account of sales tax in certain cases as follows:

"A deduction on account of the sales tax may be granted in respect to goods sold at a price fixed by bona fide contract of sale made before May 12th, 1923, and still in force at the time of delivery of the goods; provided that such deduction shall not exceed the difference between the amount of the sales tax calculated at the rate in force on May 11th, 1923, and the amount of the consumption or sales tax paid or to be payable under the provisions of these resolutions, and that no such deduction shall be made in respect of goods delivered after March 31, 1924, and claims for such deduction must be presented to the Department of Customs with complete evidence on or before June 30, 1924, otherwise same will be re-

DEATH OF PARTNER TAKES FUNDS FROM GROWING COMPANY

Insurance Men Encourage Purchase of Business Life Insurance.

Are the officers of your company or the partners in your firm of such value to the business that their removal by death would result in a serious loss? is a question many insurance salesmen are asking of business men. The unfortunate circumstances which may arise are indicated by an advertisement which appeared recently in one of the most influential financial papers in America. It read:

OPPORTUNITY

"Advertiser is president and general manager of manufacturing concern in Central New York. Owing to death of largest stockholder, would like to get in touch with responsible party to handle company with advertiser. Can control entire business. Advertiser represents the good will. $100,000 required. Company in existence for 29 years. Has paid 6 per cent. continuously since 1915, date advertiser became president. Books audited and large surplus created."

In this case there is no evidence that the deceased was of any material help personally in any capacity, administrative or otherwise. However, his money evidently acted as the basis of the credit on which the business was operated. His death precipitated its removal to satisfy the demands in the disposition of his estate and has left the company handicapped.

Similar incidents are numerous in many lines of business, especially in times of depression. Such a one is the case of a retail store in Newfoundland during the recent slump in the price of the country's most valuable product—fish. The proprietor of a general dry goods store had taken a clerk into partnership some years previously. The strained credit of the firm, due to inability to collect accounts, following the drop in prices, was almost at the breaking point, when the senior partner died. The profits of successful years had been taken out of the business. Speaking to insurance men later the remaining partner declared his proper course as a junior partner was to have assured himself against such contingencies by placing life insurance on the life of his senior partner.

Consideration of these factors is leading many companies to carry life insurance on the principal officers or partners. In most cases the company or firm pays the premiums and receives payment of the claim on the death of the insured. If a life or endowment policy is purchased, the equity of the purchaser in the policy, represented by the cash surrender values, increases year by year and is regarded as a reserve of the company which may be used in times of depression on the basis for additional working capital.

INSURANCE RATES ON AUTOS VARY WIDELY

Underwriters' Association Collects Statistics of Losses—These Form Basis for Adjustments

The cost of insurance to-day is dependent on previous experience, possibly more than anything else which a man seeks to buy. The rates at which risks of any kind are taken are based directly on the losses incurred on such risks. The necessity of securing a great deal of information has resulted in the development of bodies to secure this. Some idea of the work along these lines, carried on by the Canadian Automobile Underwriters' Association, in fixing rates is given by F. G. Haynes. He says:

Automobile insurance as transacted in the Dominion as well as in the U. S. is complicated and causes one to realize in ratemaking the necessity of carefully completed statistics indicating the cost of carrying the various classes of insurance in various localities. It is obvious that in congested districts, such as large cities, the hazard incident to collision and theft for example, is carrying public and property liability, greater than in rural districts and for tionares issued by the Canadian Autofire possibly, the reverse.

Insurance companies, more especially the tariff or associated companies, consequently have found it necessary to maintain statistical records from which loss ratios and earned premiums may be obtained. A great volume of dependable data is necessary. This is usually obtained by means of forms or questionares issued by the Canadian Automobile Underwriters Association who collect this from the companies who are members and from which the necessary figures are completed. Such information is handed over to a rates committee appointed by the president and who, after spending considerable time in discussion and after having given consideration to these statistics, brings a report to the association, of their findings. Owing to the rather limited number of cars in Canada compared with the United States, figures from across the line are often sought and much valuable information obtained as a result of their volume.

The statistical basis consists of a tabulation by classification and by locality of the exposure (E. Z. number of cars), the net earned premiums and the incurred losses (paid and estimated outstanding). This data is tabulated by years of issue, that is to say, all policies issued during a given year are traced through the periods they remain in force. It is necessary, therefore, that the exposure, premiums and losses be allocated to the year in which policies relating thereto were issued.

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The rich man invests his wealth in tax-free securities, and thus escapes the terrors of the income tax. The Government has provided a simpler method than that for the poor man, however. Since he cannot invest in securities of any kind, our benevolent Government raises the exemption on children from $200 to $400. Therefore all the poor man has to do is have enough children and his exemptions will run above his income, and therefore he will have no taxes to pay.

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CAPITAL SHY OF BUILDING TRADES, WAGES TOO HIGH

Homes Not Being Built to Rent But to Sell.

UNSOUND SITUATION

Labor Leaders Would be Wise to Advise Workers to Desist in Wage Demands to Encourage Building.

High wages are having a direct effect in the building industry both as regards the building trades themselves and as a factor in advancing the costs of materials. Even at the high wage scales enforced by the unions it is difficult to get men unless substantial premiums are paid. The result is that there is a tendency to suspend operations for the time being and there are indications in Canada that one result will be a protracted building season, that is that buildings will be roughed-in and the inside finishing done in the cold weather, the cost of providing heat being more than offset by the saving to be effected in wages. This tendency is particularly noted in the case of speculative building where costs are more closely watched than in the case of an individual residence, the owner of which is willing to meet extortionate wage demands rather than have construction delayed.

The wage problem in construction is a particularly trying one, because the contractor is usually only the agent of the person erecting the building and is not much concerned about the wages paid, while workers can scarcely be blamed if advantage is taken where the temporary employer is concerned only with the completion of the job and not with the permanent welfare of the industry.

The cost of construction, as established by prevailing wages, is also having its effect on the supply of capital. Not that there is any shortage of available funds but mortgage companies realize that inflated costs are undermining vlaues. The fact that houses are being built almost entirely for sale when not constructed by individuals for their own use is advanced as an unhealthy sign. Capital will feel more confident when houses are being erected at a cost to return a profit on a rental basis. As to the reluctance of the loaning institutions in the United States to make loans under the prevailing conditions the New York World says:

This is not a move directed against either the labor unions or the speculative builders. It is merely the application of the first law of life, self-preservation, to a serious situation. The institutions which lend money for construction must rely for securities, at least in large part, upon the buildings in which the money is put. Delay in building means loss of income to the builder. When strikes leave an apartment house unfinished the loss in rents may wipe out the margin of safety which the lender has in ordinary circumstances. When builders are compelled to accede to unexpected demands for wage increases the safety margin is again imperiled.

Careful finance demands that building contractors asking for loans be able to give assurance that the construction they plan will be finished in a certain time and within a certain cost. At the present time there are few builders who can know beyond doubt that they will have a steady flow of labor at a set wage. Most contractors are beset on one side by the striker and on the other by the competition of the speculative builder, who draws the workers to him with the magnet of the bonus.

The heads of the building trades unions could do their members a service by calling attention to this unsound situation and pointing out that a continuation of extortionate wage demands will result in postponement of building and unemployment.

Newfoundlanders Leave For Canada and States

Reports as to business conditions in Newfoundland indicate some improvement in the fishing industry in relation to the export market. However, conditions in Europe are still far from satisfactory owing to Norwegian supplies. After having practically ceased for several years, Newfoundland's whaling industry is being revived and a number of vessels are preparing to start an active season. Conditions at the steel plant and in the mines are reported as continuing on a satisfactory basis.

In the history of the country there has never been such extensive emigration as is being experienced at the present time. Conditions which have prevailed in the fishing industry are largely responsible, while the high wages prevailing in Canada and the United States are proving a strong attraction.

SECOND MORTGAGE CONCERNS SPRINGING UP WITH RAPIDITY

Several New Ones Are Now Selling Stock in Ontario.

Quite a number of new second mortgage companies are being organized. Some of the leading men in this line of business declare many of the new concerns to be stock selling schemes. Mortgage Discount and Finance, the most successful of the recent companies, was launched as such but the ones now being launched may not be as fortunate. They may not be placed in the hands of such a president as Sir John Willison, or in the hands of such a manager as George Griffin. Management means everything in such a business. The man who takes charge of a second mortgage concern must have an intimate knowledge of th second mortgage business. Mr. Griffin had that.

Why cannot all of these second mortgage companies succeed?

Must Have Capital

The argument of the street is that they will not have the funds. To be a success such a concern should have, it is pointed out, a million to a million and a quarter in funds. This would mean that they would have about 25 per cent. of this total coming back yearly for reinvestment. Such a sum would produce earnings sufficient to care for the overhead and pile up a reserve to reasonably insure the safety of the company in the event of a slump in values. Ultimately there would be dividends.

Another point about second mortgage companies relates to claims made in regard to the profits on mortgage purchases. It has been claimed that practically 25 per cent. profit, less overhead, could be made at once on the total capital. This is over-optimistic. Profits must be earned. A mortgage purchased at a discount of 25 per cent. may have four years to run. Thus it would take four years to earn the 25 per cent. or 6¼ per cent. yearly. The fallacy of claiming profits before they are earned is evidenced by the case where a mortgage was bought and only a short time after the company had to take the property over to protect itself. Thus not only were the funds invested in the second mortgage tied up but the company had to also take care of the first mortgage. Immediately the profits ceased and then came the long process of selling on extended terms to secure a price that would in the end give the company its money back at a fair profit.

This brings out another point also, which is, that besides having its capital working at all times, there must be sufficient held in reserve at all times to go to the rescue of the working capital, if needs be, to protect it.

SUBURBAN HOMES DEMAND PROVIDES MUCH BUILDING

Popularity of Auto is Making This Class of Residence Possible.

CONSTRUCTION BRISK

Last Month's Total Contracts Greater Than Any May Since 1913; Material Prices Fairly Steady.

Building construction throughout Canada is now showing greater activity than at any time since the boom days of a decade ago. Contracts actually awarded during the first five months of this year, according to MacLean Building Reports, Limited, amount to $114,648,400, compared with $96,831,600 in 1922 and $85,326,700 in 1921. Ontario leads with a total of $62,871,900; Quebec second with $32,795,000; the Western Provinces, $16,337,500, and the Maritimes, $2,644,000. Building in Quebec shows marked activity, Ontario and British Columbia are ahead of last year, while the Prairies and Maritimes seem to languish.

During May, construction contracts awarded in Canada amounted to $40,697,200 compared with $34,827,300 a year ago. This is the largest May total since 1913.

Class	Value	% of Total
Residential	$14,897,100	36.6
Business	8,555,000	21.1
Industrial	3,763,700	9.2
P. Wks., Utilities.	13,481,400	33.1
Total..	$40,697,200	

Contemplated new work reported, $51,550,400.

Natural and Logical

The recent accelerated pace of building construction is natural and logical. The shortage of building during the war and post-war period is now being made up. In addition there is a well-defined movement of city dwellers toward the suburbs. With these two influences operating together it is not surprising that there has been such a tremendous demand for new construction.

Building on the outskirts of Montreal, Vancouver and many cities in Ontario, continues very active. Most of the suburban building is residential—moderate priced homes for owners' occupation. The increasing popularity of the automobile has caused a pronounced trend toward the suburbs, which far-seeing men believe is only begun. It is apparent that it will take a good many years to satisfy the present potential demand for suburban dwellings. It would seem that the present prosperity in the building field is sound in nature and will endure over a considerable period —not at the present rate, but in volume to satisfy the industry.

Increase in Costs

Building activity in the United States is being hampered by a rapid and unjustified increase in material and labor costs. By way of contrast, building material prices in Canada have advanced less than 12 per cent. from the low of last year. In the main conditions throughout the Dominion are satisfactory. Industry is extending its operations and showing a gradually widening margin of profit —there is little or no unemployment and a particularly easy money situation prevails.

The figures by provinces: —

Provinces—	No. of Projects	Value
Ontario	1856	$23,050,100
Quebec	601	9,545,400
British Columbia ..	187	4,399,600
Manitoba	278	1,181,200
Saskatchewan	111	718,800
Alberta	74	702,200
New Brunswick	34	392,400
Nova Scotia..	58	383,500
Prince Edward Island	11	324,000
Ttl. for Dominion..	3,210	$40,697,200

The Ninth and Best Government and Municipal Review Number of THE FINANCIAL POST

will be published this year on June 29. It will be the most complete survey and record of Canadian provincial and municipal finance ever published in Canada. Thoroughly accurate and detailed statistics will be given of the

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of every Canadian province and of the finances of about 2,500 Canadian municipalities. Changes in the manner of presenting the figures will make the issue more valuable than ever and continue it as the standard authority on Canadian government and municipal bonds.

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Publications reaching out for more advertising from those who read THE POST so closely; and advertising agencies with definite selling plans for the wares they offer.

PORTION OF LEVY SHOULD BE MET BY EMPLOYEES

Majority of Employers of Province Favor a Change.

Employers under the Workmen's Compensation Act in Ontario are in receipt of the annual "memorandum to employers," sent out by the board. It deals with various questions in connection with the rates and problems of administration.

Several employers point out that the question of changing the system of rates to the end that employees shall contribute is ignored. It has been the feeling of the majority of the industrial leaders of the province that the employees should contribute their part. Such a system of contribution is a recognized principle of the benefit societies of Great Britain. The chief argument is that it would make each worker a "watch-dog" of the funds, making it difficult for one to collect on some feigned illness or trumped-up accident. Such contributions should, of course, be used to reduce the portion paid by employers. One suggestion is that the employees might contribute 6 or 10 per cent.

Some unfairness in the act is being pointed out following the inclusion of office staffs. It has been stated that this increase in numbers makes no difference to a firm, when they are on the same basis with other firms, that is, the office staffs of all have been included. This is partially true of firms with staffs of the same composition or personnel. However, a firm with a large mechanical staff, which for the purposes of the act may be said to be more or less in the hazardous class, and a small office staff, has a distinct advantage over the firm with the small mechanical staff and the large non-hazardous force. The former faces the danger of having the greater number of accidents, yet if the total of the forces of each are equal, the levy on both will be the same. This inclusion of office staffs has cut the rate per employee but the end of the year finds the employer with a much larger amount paid to the board.

RICHELIEU'S MARGINAL RUN

MONTREAL.—Canada Steamships Lines will inaugurate the service of the steamship "Richelieu" by a special trip over the week end. Members of parliaments, leading business men and others are being invited for a cruise on the St. Lawrence to see the new boat in action.

Following the opening voyage the vessel will go into the Montreal-to-Saguenay service of the company.

Return of the Chartered Banks of the Dominion of Canada, April 30, 1923

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 9, of the Statutes of 1913

LIABILITIES

NAME OF BANK	Capital authorized	CAPITAL STOCK Capital Subscribed	Capital paid up	Amount of Reserve Fund	Last Dividend declared	Notes in circulation	Due to Dominion Government	Due to Provincial Government	Demand Deposits In Canada	Notice Deposits in Canada	Deposits Elswhere	Loans from Banks in Canada
	$	$	$	$	%	$	$	$	$	$	$	$
*Montreal	31,175,000	27,250,000	27,250,000	27,250,000	12	39,236,021	20,802,681	4,785,082	136,201,858	300,956,460	85,826,090	......
Nova Scotia	15,000,000	10,000,000	10,000,000	19,500,000	16	14,787,755	1,680,194	1,350,982	27,527,186	107,108,263	32,160,339	......
Toronto	10,000,000	5,000,000	5,000,000	6,000,000	12	6,352,713	1,549,139	1,342,571	24,925,641	46,403,718	....	......
Molsons	5,000,000	4,000,000	4,000,000	5,000,000	12	4,806,781	411,082	629,776	13,478,661	40,328,233	....	......
Nationale	5,000,000	3,000,000	2,982,800	400,000	6	4,739,525	193,786	2,133,524	4,946,479	27,452,642	6,592,961	......
Provinciale	5,000,000	3,000,000	3,000,000	1,500,000	9	2,755,634	167,574	165,782	4,348,045	22,400,430	....	......
Union	15,000,000	8,000,000	8,000,000	6,000,000	10	7,925,299	553,306	5,329,958	28,891,232	63,701,050	4,151,940	......
Commerce	25,000,000	15,000,000	15,000,000	15,000,000	12	21,623,004	5,531,073	4,276,791	102,685,904	156,638,653	41,061,586	......
Royal	25,000,000	20,400,000	20,400,000	20,400,000	12	27,939,911	2,032,890	1,322,130	90,665,222	180,487,363	147,079,365	......
Dominion	10,000,000	6,000,000	6,000,000	7,000,000	12	7,076,037	2,346,368	663,655	25,381,517	66,688,741	2,214,625	......
Hamilton	7,000,000	5,000,000	5,000,000	4,850,000	12	4,969,597	1,788,835	601,121	14,295,667	39,967,256	....	......
Standard	5,000,000	4,000,000	4,000,000	5,000,000	14	4,937,260	2,359,737	770,899	14,789,296	43,624,109	....	......
d'Hochelaga	10,000,000	4,000,000	4,000,000	4,000,000	10	5,978,659	580,082	188,664	11,099,337	43,407,833	....	......
Imperial	10,000,000	7,000,000	7,000,000	7,500,000	12	9,938,927	1,267,493	7,796,207	26,986,263	62,647,605	....	......
Home	5,000,000	2,000,000	1,960,413	550,000	7	1,713,975	275,609	1,230,040	5,893,393	12,104,004	....	......
Sterling	3,000,000	1,266,600	1,234,100	500,000	8	1,149,835	3,015,330	1,229,050	4,167,409	11,856,261	....	......
Weyburn Security	1,000,000	655,700	524,560	225,000	7	324,992	70,234	5,989	1,057,868	1,480,810	....	......
Total	187,175,000	125,572,300	125,351,873	130,675,000	......	166,255,925	44,625,413	33,822,221	537,340,978	1,227,253,431	319,086,906	......

NAME OF BANK	Balance due to Banks in Canada	Due to Banks in the U.K.	Due to Banks Elsewhere	Bills Payable	Acceptance under letters of Credit	Other Liabilities	Total Liabilities	Loans to Directors	Average Gold and Coin Held	Average Dominion Notes Held	Greatest amount notes in circulation
	$	$	$	$	$	$	$	$	$	$	$
*Montreal	4,744,753	201,483	263,623	1,466,015	3,711,954	1,211,782	599,407,808	426,944	28,932,833	63,044,606	41,115,701
Nova Scotia	1,827,834	151,782	967,155	171,633	427,194	16,333	188,176,656	906,207	9,607,257	10,290,886	15,328,506
Toronto	789,154	139,135	937,541	....	401,887	1,559	82,843,061	548,803	9,832,285	5,350,829	6,726,968
Molsons	723,725	15,710	192,338	....	405,149	826,022	61,817,480	108,625	591,813	3,575,659	4,806,781
Nationale	231	9,635	578,185	200,000	....	259,658	47,106,631	391,681	448,200	971,800	4,778,815
Provinciale	32,226	....	1,162	....	....	164,393	30,035,248	....	176,863	257,820	2,899,834
Union	341,580	4,046,979	950,614	....	2,035,904	10,388	117,938,253	785,407	1,163,242	7,659,711	8,475,004
Commerce	203,096	533,184	7,310,208	1,105,950	5,021,630	7,521	345,998,606	1,296,460	14,815,000	25,356,000	22,827,554
Royal	841,439	206,943	14,330,339	6,424,346	3,954,685	18,774	475,303,413	617,391	10,011,217	21,060,849	28,868,713
Dominion	1,643,070	258,375	1,577,501	312,778	881,542	470,131	109,514,344	152,749	2,039,000	6,686,000	7,517,051
Hamilton	325,697	28,257	445,323	....	278,375	....	62,700,132	961,062	900,555	2,420,428	5,242,402
Standard	2,124,873	709,886	1,577,188	127,889	287,577	174	71,308,892	75,000	1,730,700	3,792,999	5,228,590
d'Hochelaga	....	18,551	408,394	....	150,079	2,364	61,833,966	80,360	527,690	3,868,759	6,060,859
Imperial	910,232	1,047	303,372	....	159,746	....	110,010,896	91,943	1,904,335	7,619,343	10,537,457
Home	17,273	279,843	1,098,535	....	....	....	22,612,675	211,937	235,320	940,233	1,872,400
Sterling	364,459	8,333	128,951	....	13,100	26,518	21,959,248	169,623	66,211	1,321,907	1,212,739
Weyburn Security	....	....	14,961	....	....	49,299	3,004,156	131,258	16,829	93,209	356,157
Total	14,889,642	6,609,143	31,085,390	9,808,611	17,728,822	3,064,916	2,411,571465	6,955,450	82,999,350	164,311,038	173,855,531

*Bonds of the Merchants Realty Corporation to the extent of $2,835,000 secured on premises leased to the Bank, are in the hands of the public. These Bonds do not appear in the above Statement, as the Bank is not directly liable therefor.—Footnote to Bank of Montreal returns.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Deposit for note circulation	In Central Gold Reserves	Notes of other Banks	Cheques on other Banks	Balance due from banks in Canada	Due from bank' in United Kingdom	Due from Banks elsewhere	Government Securities	Canadian municipal, British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	29,890,174	64,889,838	1,620,000	16,000,000	4,039,431	21,656,980	....	3,211,090	10,193,178	144,479,182	35,192,972	13,006,517	7,012,985
Nova Scotia	9,547,152	7,414,339	477,948	6,000,000	2,494,769	10,678,780	....	430,946	2,069,511	29,536,939	9,537,348	7,084,071	9,515,329
Toronto	986,771	6,135,610	270,354	1,950,000	711,800	4,178,814	....	....	752,791	15,795,858	3,197,858	1,643,563	5,816,818
Molsons	594,125	3,278,537	193,000	1,500,000	734,018	4,293,779	9,782	344,354	1,407,949	6,020,090	1,280,640	1,805,067	4,359,343
Nationale	458,675	1,170,090	108,500	1,900,000	574,340	3,001,563	1,164	....	773,893	16,244	5,980,208	8,437,482	297,820
Provinciale	174,103	200,821	150,950	....	495,697	1,713,246	2,657,463	10,005	168,128	2,734,917	3,032,763	1,348,238	4,736,718
Union	1,184,123	6,840,355	395,000	500,000	822,375	5,113,022	99,923	337,218	1,652,583	21,417,627	8,092,718	2,774,706	2,714,843
Commerce	9,784,057	21,174,828	750,000	8,800,000	3,824,580	15,052,272	289	344,975	9,865,912	33,100,087	12,126,905	6,590,816	14,766,104
Royal	10,392,352	27,705,250	1,020,000	10,000,000	30,536,267	22,724,593	....	1,136,215	22,866,205	25,999,891	15,654,952	12,008,973	15,282,652
Dominion	2,076,946	5,232,269	300,000	1,700,000	970,006	6,148,109	....	99,021	1,335,159	15,593,843	4,144,797	1,913,740	5,824,224
Hamilton	934,428	2,647,404	250,000	600,000	646,863	2,712,078	585,254	67,507	585,512	3,172,187	2,761,020	412,587	8,157,355
Standard	1,859,262	3,935,683	200,000	1,300,000	506,568	4,258,172	100,000	77,936	587,785	8,681,672	2,616,073	921,322	4,185,540
d'Hochelaga	561,126	2,930,460	200,000	2,300,000	1,271,703	2,237,479	2,120,002	73,936	692,923	3,804,782	5,271,186	928,560	4,752,336
Imperial	1,916,826	9,362,198	329,040	4,002,533	1,300,953	6,053,365	560,331	294,496	4,790,856	14,620,596	4,731,398	407,821	3,304,154
Home	234,763	1,200,507	100,000	....	419,169	1,303,098	102,082	27,036	672,811	352,392	216,861	2,274,237	1,227,697
Sterling	67,598	2,355,711	66,000	....	134,225	653,942	5,270	33,489	212,694	10,592,867	1,335,051	304,575	67,467
Weyburn Security	18,579	95,635	23,547	....	21,416	15,858	598,777	....	99,624	112,817	13,314	....	....
Total	70,681,060	166,619,535	6,454,339	56,552,533	49,504,180	111,795,150	6,840,337	6,488,224	58,727,514	236,031,991	115,186,064	51,862,245	94,021,385

NAME OF BANK	Call loans elsewhere	Other Current Loans in Canada	Other Current Loans elsewhere	Loans to Provinces	Loans to municipalities	Overdue debts	Real Estate other than premises.	Mortgages on real estate sold	Bank premises Less written off	Letters of Credit	Other Assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	122,230,832	229,601,272	17,356,752	1,231,589	27,273,425	1,095,065	461,957	767,599	10,000,000	3,711,954	*1,395,467	656,318,269
Nova Scotia	13,387,378	83,959,097	13,928,944	....	4,118,891	247,575	75,798	162,169	7,237,916	427,194	175,068	218,507,171
Toronto	....	48,061,286	....	....	2,334,303	322,814	....	....	3,474,927	401,887	....	96,035,461
Molsons	....	39,924,884	....	....	1,486,014	481,988	46,282	24,997	3,129,104	405,149	343,906	71,663,017
Nationale	....	25,339,489	....	....	322,067	780,510	391,930	333,684	191,223	....	475,152	50,554,040
Provinciale	....	14,416,973	....	....	1,368,406	255,133	5,500	10,695	1,242,820	....	190,365	34,912,948
Union	901,800	62,133,557	5,176,143	2,046,343	3,319,187	371,986	209,874	374,023	2,399,842	2,035,904	48,265	132,961,427
Commerce	18,371,816	169,362,496	24,195,594	3,524,725	12,102,849	717,486	827,757	175,818	7,498,000	5,021,630	42,402	378,021,407
Royal	44,244,080	151,322,590	101,051,838	1,054,037	8,455,356	463,985	1,544,077	138,821	12,082,215	3,954,685	77,130	519,716,173
Dominion	8,498,915	59,366,586	1,406,359	....	1,074,220	292,111	47,748	21,250	6,166,517	881,542	483,841	123,577,183
Hamilton	450,000	38,780,647	....	29,760	5,156,121	308,123	687,980	133,676	3,324,713	278,375	339,200	73,020,797
Standard	....	47,318,554	....	....	1,588,430	337,449	281,540	51,100	1,892,801	287,577	70,491	81,057,961
d'Hochelaga	1,000,000	35,386,596	....	....	1,790,050	690,975	291,751	474,393	3,636,352	150,079	103,929	70,718,628
Imperial	2,000,000	58,234,663	....	309,840	5,803,958	434,044	443,581	352,529	5,637,424	159,746	548,069	125,598,432
Home	....	15,698,193	23,193	....	66,191	206,878	87,331	101,391	713,504	....	83,092	25,110,435
Sterling	....	7,046,250	....	....	111,186	20,572	12,573	7,665	587,666	13,100	112,140	23,740,050
Weyburn Security	25,000	2,016,655	10,000	....	61,207	161,267	100,711	40,923	208,341	....	64,902	3,688,580
Total	211,109,821	1,087,969,78	163,148,823	8,196,294	76,431,861	7,187,961	5,516,390	3,170,733	69,423,365	17,728,822	4,553,419	2,685,201,979

HYDRO COMPETES WITH RETAILERS YET PAYS NO TAX

Protest Heard Before the Toronto Court of Revision

MERCHANTS AROUSED

A Long-Standing Grievance Against Methods of Public Ownership Competitors Being Brought to Head

There has been a long-standing grievance in many municipalities among hardwaremen engaged in the sale of electrical appliances, as result of what is alleged to be the unfair competition of stores operated by the Ontario Hydro-Electric Commission, says Hardware and Metal this week. It is claimed by E. M. Ashworth, manager of the Toronto Hydro-Electric System, and by the managers of various other municipal branches of this Commission, that the Hydro retail shops conducted at various points are not liable to the ordinary retail business tax by reason of the power given the Hydro Commission in the Act, to carry on a retail business in electrical appliances.

Much interest is being taken therefore in the effort now being made in Toronto to bring the matter to a head. Objection to any retail business tax on the showrooms conducted by the Toronto Hydro-Electric System has been made this week in the Court of Revision on the basis outlined, but one of the city tax commissioners held that these stores are operated in direct competition with retail merchants selling electrical appliances and as such a matter of policy was involved. The matter was brought to the attention of City Solicitor Johnson.

Electrical Interests Take It Up

Discussing the matter with Mr. MacKay, secretary of the electrical manufacturing, jobbing and contracting dealers' associations, Hardware and Metal was advised that the matter has been discussed on a number of occasions in the past among these associations and jointly with the Hydro-Electric Power Commission. He pointed out that, viewed from almost any angle, the present action of the Commission in conducting retail stores for the distribution of appliances is unfavorable to the existing channels of distribution through hardware and electrical stores, but that the Commission had endeavored to justify its action on the grounds that they were entitled to use any means at their disposal to increase the consumption of electric power, which was their primary function. This was said to be their chief reason for pushing sales of electric ranges as compared with table appliances, washers, etc., the idea being that ranges, being used three or more times each day, are much bigger power consumers than are the other appliances.

Mr. MacKay expresses the opinion that on this point as well as on the others the Commission is defeating the object in view for the reason that it is selling electric ranges on terms which cannot profitably be met by the average retail merchant, and that by doing so other retail merchants in the city are being discouraged from actively pushing the sale of such ranges. Had the Hydro enough display stores throughout the city to adequately display the line and thus bring into use the proportionate number of ranges which there should be in a city like Toronto, Mr. MacKay thought there might be a little more justification than there is, but under the present system he pointed out the Hydro had not the facilities for broad distribution but they did just enough to spoil the aggressive pushing of the line by those who had such facilities.

It was shown that the Hydro store in Toronto sells a certain type of electric range at the same price at which other retail merchants sell it, but the retailer's price is for cash and the Hydro price is the same with terms spread over ten months. Irons and other appliances can also be purchased on a monthly payment basis, payments to be made at time of paying power bills. Mr. MacKay stated that there was not much risk involved for the Hydro in connection with term payments as would be the case with other retailers because purchasers received the monthly bill for the appliance and for power at the same time and the realization that the power bill had to be met promptly was the needed incentive for the payment of the monthly bill for the appliance as well.

Mr. MacKay outlined another way in which the Hydro stores with their large turnover had an advantage in some cases in the sale of electric ranges. A customer asking a quotation on an electric range would be quoted, perhaps, $125. He would be asked if his house was wired for a range. If not he would immediately be quoted a flat price of $40 for wiring and installation. The Hydro would send a man to look over the house, and make a sketch of the required wiring and submit it to contractors for bids on the work. The tender might be $35, or it might be $60, but the price to the buyer of the range would be the $40, as quoted.

This customer going to another retail merchant would be quoted the price on the range, but on asking the price of wiring and installation would be told that the work would first have to be looked over. The price would vary widely both above and below the $40 fixed price of the Hydro. In some cases the customer would save, but in many cases he would lose, and rather than take chances on what he thinks to be exorbitant costs and knowing that a Hydro installed job would be thoroughly in accordance with requirements, he favors the Hydro plan.

In summarizing the situation, Mr. MacKay expressed the opinion that other retailers had little to fear in the way of price cutting or special sales done by the Hydro stores, but that the Hydro was using its advantage in buying and freedom from business tax to make it more difficult for other retailers to push business successfully in certain electrical lines, and that on the present basis their alleged effort to increase the use of certain power consuming appliances was really resulting in a curtailment of their use.

Public Owned Utility a Collection Agency

"Hydro stores as operated at present are unfair competition for established retail merchants," says Hardware and Metal, "not because they are Hydro stores or publicly owned, but because they escape legitimate taxation which is willingly paid by merchants who have to compete with the publicly owned enterprise. Why should the retail merchants of this country be called upon to pay heavy taxation toward the support of their municipalities and at the same time compete in business with an enterprise which is not called upon to pay these taxes? The hardware trade of Canada were the first people to get into the electrical goods business in many parts of the country. The early introduction of electric toasters, irons and other devices found hardware stores actively taking on these lines. The business has been an evergrowing one with the hardware trade and it will continue to grow, but this 'fly in the ointment' in the form of unfair Hydro competition which permits Hydro stores to escape taxation that applies to other retail stores should be removed without further delay. The retail merchants of this country are bearing heavy burdens in the form of taxation, peddler competition and various other forms of competition and seldom do they make complaint, but they do object, and rightly so, to the government operating stores, in all probability at a great loss, and doing so without charging up to these stores legitimate taxation such as other merchants are called upon to bear."

DULUTH-SUPERIOR

Two dollar dividends are to be paid on Duluth-Superior preferred. One is for the first quarter of the year and the other for the present one. All arrears are now cleared up and this places the common stock in a better position. It has been the talk on the street that earnings were such that a common dividend might be expected by Fall. Buying from certain quarters strengthens this belief. The stock has moved up from a year's low of 29 on Feb. 1 to the present level of 39¾. In 1922 the common sold at 16.

CALL CONFERENCE TO TACKLE WEST COAL SHIPMENTS

Government Leaders Will Meet in Winnipeg End of Month.

Some progress may be made in solving Canada's fuel problem at the conference called for the end of this month at Winnipeg, to which federal and provincial government leaders have been summoned.

Canada is sending $52,000,000 annually to the United States for coal, while yearly the position of Central Canada is becoming more precarious from the point of view of a fuel supply.

The big point to be discussed at the conference is that of freight rates. Sir Henry Thornton set a rate of $9 on Alberta coal shipments to Ontario. It is understood, however, that this is not the last word.

While there is seemingly no desire to add to the already heavy deficit of the government railways, there is a feeling that these lines should carry Alberta coal east at a rate that would give a minimum of profit. This is one of the points that is to be featured at the Winnipeg conference.

The big argument in support of this is the keeping at home of the large sums of money now going to the United States. It is argued that though the railways would make but little profit in handling the coal, the fact that the money is retained in circulation in the Dominion will bring other business that the railways do not at present enjoy. It will certainly make for a great deal more employment in the coal-producing provinces of Alberta and Nova Scotia and this would also mean greater business, which would give new traffic to the railways. One point not made is that the railways will also lose a big business they now enjoy distributing the U. S. coal from the border to the consuming centre.

The money which Canada now sends to the U. S. for coal yearly and which it is hoped to divert to Western Canada and the Maritimes, is made up as follows:

Paid for coal at mine	$38,780,071
Freight to U. S. railways ..	13,145,787
Total	$51,925,858

German gold, totaling 53,000,000 gold marks, consigned to the International Acceptance Bank, is now on the way to the United States on two ships of the United American Lines. The Resolute with 27,000,000 gold marks is due the latter part of this week, and the Mount Carroll with 26,000,000 the early part of next week.

CANADA HOLDS KEY TO POWER DEVELOPMENT

(Continued from Page 1)

cent. of the whole area of the United States nearly 24 per cent. of the total population and 70 per cent. of the total industrial development. The report further states that not more than 21 per cent. of the total power requirements of this area can ever be supplied by water power.

A somewhat similar concentration of population and industries exists in the Eastern portion of Canada and it is of interest to arrange the water power statistics of the two countries in such a way as to exhibit the remaining undeveloped water power available in the areas of greatest industrial development.

The official water power figures for the United States are based on: "75 per cent. of the theoretical power from flow available 75 per cent. of the time;" this may be taken as representing 9 months' power.

The most recent figures for available power issued by the Dominion Water Branch of the Department of the Interior are, 18,255,316 continuous 24 hour power at 80 per cent. efficiency, or 32,076,000 horse power for maximum commercial development, that is for dependable 6 months' power, the deficiency at other periods being considered as being made up by storage of water or fuel reserve or a combination of both. It would appear that to put the Canadian figures for available power on the same basis as those for the United States, a close approximation will be given by taking the average of the above figures to represent 9 months' power; this gives 25,165,000 h. p.

Comparing the figures for the two countries on the above defined basis then shows the following:

	Undeveloped Water Total potential (or available)	Power Present installed capacity	% undev.
Canada—			
East and South	15,321,000	2,307,032	85
West of Ont...	9,844,500	455,848	94
	25,165,500	2,762,880	89
United States—			
East and South	7,745,000	6,343,100	18
Pac. divisions .	20,198,000	2,899,600	85
	27,943,000	9,242,700	67

The striking fact brought out by this table, compiled entirely from recent official figures, is that whereas Canada has still available in her eastern area over 13,000,000 h. p. of undeveloped water power, the United States has left but little over 1,400,000 undeveloped h. p. for the similar area which includes 70 per cent. of the total industrial development of that country. A good deal has been heard of United States efforts to secure more water power for that district but this shows how great the real need is and how urgent it must shortly become.

This position is further illustrated by the proportions of water power and fuel power in use in the two countries as a whole. Of all the power in use, in Canada 70 per cent. is water power, 30 per cent. fuel power—in the United States the position is more reversed, i. e., about 24 per cent. water and 75 per cent. fuel power.

The situation created by this preponderance of water power in the eastern manufacturing area of Canada combined with its deficiency in the corresponding and contiguous area of the United States and the ever-rising cost of steam power places Canada in the position of possessing the most attractive manufacturing sites in North America and must tend to the location of industries requiring large amounts of power on this side of the border.

High Coal Costs Hamper Steel Industry in World Competition

Reasons Advanced Why Canada's Progress Along These Lines is Not More Rapid—Miners' Wages Are Double Those of Great Britain

By R. DRUMMOND,
Editor, Maritime Mining Record.

If one were to be swayed by what is written and said by a portion of the press, and by leaders of the union men at the steel plants in Sydney, he might be forced to the conclusion that the British Empire Steel Corporation must be ranked as among the hardest of taskmasters. There are those who seek to impel those unfamiliar with the actual state of affairs to believe that the larger proportion of any profit made goes into the pockets of a few privileged persons—the higher up officials of the company. These wilfully ignore the fact that there are, scattered over the length and breadth of the land, from Vancouver to Sydney, many thousands of shareholders, including many widows, who are participants in all profits made by the corporation. The uninformed portion of the public, the labor leaders and their following, speak and act as if the British Empire Steel Corporation was the only plant of the kind on the American continent, and had not to meet not only American but British competition. It is not realized, as it should be, by certain writers in the press, and by the workers, that employment rests on the ability of the company to compete with other similar industries abroad as well as in Canada.

Coal costs play an important part in the production of steel. A perusal of the table given below will give one an idea of the British coal production costs. Readers will realize that there is "not much in it" for either the British employers or employed. For the quarter ending 31st December last, the average wage was 9s. 5d., or say $2.17 per shift. What have Nova Scotia miners to say in the face of this fact? Were the average of skilled miners, either on the Mainland or Island, not to earn, per shift, more than double that amount, there would be wailing over the inadequate pay rate, and railing against the grinding capitalists. We have no intention of saying bluntly that the wages at the Nova Scotia collieries are high, but as compared with those in Britain no fault should be found with them, the more especially as a "shift" in Nova Scotia does not in many cases involve more than say six hours actual labor.

In view of the great differences in coal getting labor costs one cannot readily see how it is possible for the Sydneys and Trenton to compete in iron and steel products with Britain for the markets of Canada, not to speak of exports to other countries. And yet we need not be without hope.

Facts to be Studied

The basic facts as to coal and steel labor costs should be effectively placed before the country by the reputable press and by writers whose experience and character would command attention and respect. Are the workers wise in demanding further increase in wages, the granting of which would result in nigh to hopeless competition and, as a corollary, to much lessened and fitful employment.

It may be asked, "What part does coal play in the production of steel?" The answer to which is, "A part of first importance." It takes practically two tons of coal to make a ton of coke, and a ton and a half of coke to make a ton of steel, in other words, it takes three tons of coal to produce a ton of steel. To the first cost of the coal has to be added the cost of conversion into coke. Leaving this cost aside and assuming that the cost of production of coal is a dollar a ton higher in Nova Scotia than in countries where there are fewer impediments, to cheaper production, then three dollars has to be added to the cost of the production of steel. Any greater difference in the cost of coal production means, of course, additional cost of steel.

British Production

Returns of the output and costs of production, proceeds and profits of the British Coal Mining Industry for the quarter ended 31st December, 1922, compared with the figures for the first, second and third quarters of 1922 and the last quarter of 1921, have lately been issued as follows:

This return includes 95 per cent. of the total quantity of coal raised.

The output per man shift work is based on the tonnage of saleable coal raised and the total number of man shifts worked including week-end and overtime shifts. Calculated upon the total tonnage of coal raised and weighed at the pit and the number of ordinary man-shifts worked the output per man-shift for the country as a whole was about 19½ cwts.

	31st Dec. 1921	31st Mch. 1922	30th June 1922	30th Sept. 1922	31st Dec. 1922
Total output (tons)	55,033,074	57,633,631	53,261,024	58,717,767	64,538,199
Total net cost	22s.8.5	19s.8.28	18s.11.58	17s.2.08	16s.11.80
Proceeds of commercial disposals	23s.0.02	20s.9.90	18s.11.41	18s.3.08	18s.6.19
Results	3s.47d	1s.1.62	-.17d	1s.1	1s.6.39
No. employed	1,026,825	1,020,207	1,025,592	1,027,853	1,068,594
Earnings per man per shift	12s.7.89	11s.0.18	10s.2.51	9s.3.97	9s.5.23
Output per man per shift..	17.73	18.23	17.80	17.94	18.10

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one dollar ($1.00) per share on the Common Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1923, payable July 3rd, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 1st June, 1923.

DOMINION TEXTILE COMPANY, LIMITED

NOTICE OF DIVIDEND

A dividend of one and three-quarters per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending 30th June, 1923, payable July 16th, to shareholders of record June 30th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, 1st June, 1923.

Canadian Pacific Railway Company

Redemption of Note-Certificates.

NOTICE is hereby given that the Note-Certificates, aggregating $52,000,000, issued by the Canadian Pacific Railway Company on the 2nd day of March, 1914, and secured upon the Special Investment Fund created and maintained under the provisions of the Agreement made on the 23rd day of December, 1913, between the Canadian Pacific Railway Company and The Royal Trust Company, as Trustee, will be redeemed on the Tenth day of July, 1923, pursuant to the conditions of the issue of the same providing for redemption before maturity by payment of the principal and accrued interest to the date fixed for redemption.

Under the conditions of the issue, Note-Certificates must be presented to the Trustee for redemption at the Bank of Montreal in London, Montreal or New York, on or before the said date, and if not so presented they will not bear interest after said date of redemption.

DATED at Montreal, this Twenty-fourth day of April, 1923.

CANADIAN PACIFIC RAILWAY COMPANY,
By: Ernest Alexander, Secretary.
THE ROYAL TRUST COMPANY,
By: M. S. L. Richey, Secretary.

Tenders will be received up to June 21st, 1923, for $59,962.00 6%, 20-year Local Improvement Debentures of Town of Fort Frances, Ont.

H. E. MARR,
Treasurer

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of two and one-half per cent., being at the rate of ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after

July 3rd, 1923,

to shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE,
Manager.

The Shawinigan Water and Power Company

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending June 30th, payable July 10th, to shareholders of record June 22nd, 1923.

By order of the Board.
JAMES WILSON,
Secretary.

Montreal, June 5, 1923.

The Dominion Bank

Notice is hereby given that a Dividend of 3 per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1923, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of July, 1923, to shareholders of record of the 20th June, 1923.

By Order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 25th May, 1923.

DOMINION POWER AND TRANSMISSION CO., LIMITED

Notice is hereby given that Dividend No. 48 at the rate of seven per cent. (7%) per annum on the Cumulative Preference Stock of this Company has been declared for the half-year ending June 30th, 1923, and that the same is payable on July 16th, 1923, to Shareholders on record on the 30th day of June, 1923.

The Transfer Books for the Preference Stock of the Company will be closed from the 18th day of June, 1923, to the 30th day of June, 1923, both days inclusive.

By order of the Board of Directors.
WM. C. HAWKINS,
Secretary.

Hamilton, Ont., 4th June, 1923.

CENTRAL CANADA LOAN AND SAVINGS COMPANY

Dividend No. 157

Notice is hereby given that a quarterly dividend of *two and one-half per cent,* (2½% for three months ending June 30th, 1923 (being at the rate of *Ten per cent per annum*), has been declared upon the Capital Stock of this Institution, and the same will be payable at the offices of the Company, Toronto, on and after Tuesday, the 3rd day of July, 1923

The Transfer Books will be closed from the 15th to the 30th of June, both days inclusive.

By Order of the Board.
G. A. MORROW,
Managing Director.

Dominion Glass Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1923, payable Tuesday the 3rd day of July, 1923, to Shareholders of record at the close of business Friday the 15th day of June, 1923.

By Order of the Board.
MERVYN OFFER,
Comptroller and Secretary.

Montreal, 17th May, 1923.

Dominion Glass Co. Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the COMMON STOCK of Dominion Glass Company, Limited, for the quarter ending the 30th day of June, 1923, payable Tuesday, the 3rd day of July, 1923, to Shareholders of record at the close of business Friday the 15th day of June, 1923.

By Order of the Board.
MERVYN OFFER,
Comptroller & Secretary.

Montreal, 17th May, 1923.

Town of Sudbury Ontario

Tenders will be received up to noon, June 4th, 1923, at the office of the undersigned, Sudbury, on $37,000.00 instalment debentures, 5½ per cent., 20 years, last payment May, 1943. Highest or any tender not necessarily accepted.

W. J. ROSS,
Treasurer.

TOWN OF HAWKESBURY

Consolidated Redemption BONDS

6% - 20-year

Annual Installment Serial

Tenders will be received until Wednesday, the 27th day of June, 1923, at eight o'clock p.m., for the purchase of $19,043.03, bearing 6% interest yearly during the next twenty years in serial installment bonds. The right is reserved to accept any or none of the tenders.

J. O. BERTRAND,
Clerk-Treasurer.

THE Sherwin-Williams Co. of Canada Limited

Notice is hereby given that Dividend No. 11 of One and one half Per Cent. (1½%) for quarter ending May 31st, 1923, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of June, 1923, and that cheques will be mailed on June 30th next.

Books Not Closed
By Order Of The Board
J. H. GORDON
Secretary-Treasurer.

Montreal, May 28th, 1923.

The Sherwin-Williams Co. of Canada Limited

Notice is hereby given that the Forty-eighth Quarterly Dividend of One and Three-Quarters Per Cent. (1¾%), being at the rate of Seven Per Cent. (7%) per annum, for quarter ending May 31st, 1923, upon the Preferred Stock of the Company, has been declared, payable to shareholders of record the fifteenth day of June, 1923, and that cheques will be mailed on June 30th next.

Books Not Closed
By Order Of The Board.
J. H. GORDON
Secretary-Treasurer.

Montreal, May 28th, 1923.

Brazilian Traction Light and Power Company, Limited

(Incorporated under the laws of Canada)

PREFERENCE SHARES

Notice is hereby given that a quarterly dividend of 1½ per cent. has been declared on the Cumulative Preference Shares of the Company, payable on the 2nd day of July, 1923, to shareholders of record at the close of business on the 15th day of June, 1923.

J. M. SMITH,
Secretary.

Toronto, Canada, May 31st, 1923.

ONTARIO

TENDERS FOR PULPWOOD AND PINE LIMIT

Tenders will be received by the undersigned up to and including the 22nd day of June, 1923, for the right to cut pulpwood and timber on a certain area situated in the watershed of the Trout and Chapleau Rivers, in the district of Sudbury, comprising an area of 1,049 square miles.

Tenderers shall state the amount per cord on pulpwood that they are prepared to pay as a bonus, in addition to dues of 80 cents per cord for spruce, and 40 cents per cord for other pulpwoods, or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council for the right to operate a Kraft pulp mill and a paper mill.

Tenderers shall also be required to say what they are prepared to pay per thousand feet board measure for the following classes of timber, over and above the upset prices in addition to Crown dues:

Red and white pine, upset price	$6.00 per M. ft. B. M.
Spruce (too large for pulpwood)	5.00 per M. ft. B. M.
Jackpine (banksian).....	2.50 per M. ft. B. M.

The Crown dues on pine, including jackpine, being $2.50, and on spruce $2.00 per M. ft. B.M., or such other rates as may from time to time be fixed by the Lieutenant-Governor-in-Council.

The successful tenderer shall be required to erect a mill or mills within the limit, or at some point in Ontario approved by the Minister, and to manufacture the wood into Kraft pulp, and also such portion thereof into Kraft paper when required so to do.

Parties making tender will be required to deposit with their tender a marked cheque payable to the Honourable the Treasurer of the Province of Ontario, for fifty thousand dollars ($50,000), which amount will be forfeited in the event of the successful tenderer not entering into agreement to carry out conditions, etc.

The said $50,000 shall remain on deposit until the Kraft pulp mill, as provided by terms and conditions of sale, is erected and in operation. Any timber cut in the meantime shall be subject to payment of dues and bonus as accounts for same are rendered. After the said pulp mill is erected and in operation the deposit of $50,000 may be applied on account of bonus dues as they accrue, but the regulation dues as mentioned above shall be paid in the usual manner as returns for cutting of wood and timber are received and accounts rendered.

The highest or any tender not necessarily accepted.

For particulars as to description of territory, capital to be invested, etc., apply to the undersigned.

All tenders should be enclosed in sealed envelopes and marked plainly on outside "Tender for Trout-Chapleau Pulp and Timber Limit."

BENIAH BOWMAN,
Minister of Lands and Forests.

Toronto, April 16, 1923.

N.B.—No unauthorized publication of this notice will be paid for.